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SENATE

{ REPORT
113-22

MODIFICATION OF PILOT PROJECT OFFICES

APRIL 22, 2013.—Ordered to be printed

Mr. WYDEN, from the Committee on Energy and Natural Resources, submitted the following

R E P O R T

[To accompany S. 244]

The committee on Energy and Natural Resources, to which was referred the bill (S. 244) to amend the Energy Policy Act of 2005 to modify the Pilot Project offices of the Federal Permit Streamlining Pilot Project, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The legislation would amend the Energy Policy Act of 2005 to allow the pilot permit processing office currently located in Miles City, Montana, to process applications for oil and gas use authorizations relating to federal lands in the states of North and South Dakota.

BACKGROUND AND NEED

Congress enacted section 365 of the Energy Policy Act of 2005 (Public Law 109-58) to create a pilot project to improve the coordination and processing of oil and gas use authorizations on federal land. Section 365 established pilot offices in seven BLM Field offices. The processing of use authorizations on federal land within the jurisdiction of these offices is covered by the program. One such pilot office was established in the Bureau of Land Management (BLM) field office located in Miles City, Montana. Under the program, employees from the relevant federal agencies and the state are assigned to a particular pilot project office to work together in processing the authorization requests.

Production of unconventional oil in the Bakken formation, which stretches from western North Dakota to eastern Montana, has in-

creased dramatically in the past few years. This is largely due to advances in the technologies of horizontal drilling and hydraulic fracturing and the relatively high price of oil. Along with this dramatic increase in drilling, the workload for processing oil and gas authorizations on federal lands has increased. However, the jurisdiction of the Miles City, Montana, BLM field office did not extend to the federal lands in the Dakotas. S. 244 is needed to afford applications for oil and gas authorizations in the Dakotas the benefit of the pilot project coordination and processing.

LEGISLATIVE HISTORY

S. 244 was introduced by Senators Hoeven and Heitkamp on February 7, 2013. A companion measure, H.R. 767 was introduced by Representative Cramer on February 15, 2013. Identical legislation during the 112th Congress, was sponsored by Senators Hoeven and Conrad. The Senate discharged S. 3563 from the Committee and passed it without amendment by unanimous consent on December 30, 2012.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on March 14, 2013, by voice vote of a quorum present recommends that the Senate pass S. 244.

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill amends section 365 of the Energy Policy Act of 2005 to strike the reference to the Miles City, Montana, office and to replace it with “Montana/Dakotas State Office, Montana”. The section also makes clarifying changes that are self-explanatory.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of costs of this measure has been provided by the Congressional Budget Office:

S. 244—A bill to amend the Energy Policy Act of 2005 to modify the pilot project offices of the Federal Permit Streamlining Pilot Project

S. 244 would authorize the Bureau of Land Management (BLM) to expand a pilot program that aims to accelerate and enhance the federal oil and gas permitting process at certain BLM offices. Under current law, 50 percent of onshore oil and gas rental payments received by BLM (excluding those from Alaska) is available to fund the pilot program at seven BLM offices through 2015. The bill would allow the Secretary to use those funds at additional offices in North Dakota, South Dakota, and Montana.

Because CBO expects that any funds spent in the North Dakota, South Dakota, and Montana offices under the bill would be spent at other offices under current law, we estimate that implementing the legislation would have no significant net impact on the federal budget. Enacting S. 244 could affect direct spending if expanding the pilot program resulted in BLM spending funds faster than it would under current law; therefore, pay-as-you-go procedures apply. However, CBO estimates that any such impacts would be

small over the 2014–2023 period. Enacting the bill would not affect revenues.

S. 244 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 244.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 244, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 244, as reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

EXECUTIVE COMMUNICATIONS

Executive Communications were not requested by the Committee in the 113th Congress.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

ENERGY POLICY ACT OF 2005

Public Law 109–58, as amended

AN ACT To ensure jobs for our future with secure, affordable, and reliable energy.

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PILOT PROJECT TO IMPROVE FEDERAL PERMIT COORDINATION

SEC. 365. (a) * * *

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[(d) FIELD OFFICES.—The following Bureau of Land Management Field Offices shall serve as the Pilot Project offices:

- (1) Rawlins, Wyoming.
- (2) Buffalo, Wyoming.

- (3) Miles City, Montana.
- (4) Farmington, New Mexico.
- (5) Carlsbad, New Mexico.
- (6) Grand Junction/Glenwood Springs, Colorado.
- (7) Vernal, Utah.】

(d) *PILOT PROJECT OFFICES.—The following Bureau of Land Management Offices shall serve as the Pilot Project offices:*

- (1) *Rawlins Field Office, Wyoming.*
- (2) *Buffalo Field Office, Wyoming.*
- (3) *Montana/Dakotas State Office, Montana.*
- (4) *Farmington Field Office, New Mexico.*
- (5) *Carlsbad Field Office, New Mexico.*
- (6) *Grand Junction/Glenwood Springs Field Office, Colorado.*
- (7) *Vernal Field Office, Utah*