



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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July 9, 2014

The Honorable Neil Kornze
Director, Bureau of Land Management
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

The Honorable Michael Black
Director, Bureau of Indian Affairs
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

Re: Final Evaluation Report – Onshore Oil and Gas Permitting, U.S. Department of the Interior, Report No. CR-EV-MOA-0003-2013

Dear Director Kornze and Director Black:

On behalf of the Industrial Energy Consumers of America (IECA), we were pleased to see the recommendations by the Office of the Inspector General for the U.S. Department of the Interior (DOI) on streamlining the permitting process for onshore oil and gas leases on Federal and Indian lands. We strongly support adoption of these recommendations.

IECA is a nonpartisan association of energy-intensive trade-exposed manufacturing companies, who compete globally, with over \$1.0 trillion in annual sales, over 2,900 facilities nationwide, and with more than 1.4 million employees worldwide. Energy-intensive industries consume over 80 percent of all of the energy of the manufacturing sector, and over 15 percent of U.S. energy. These industries are price sensitive and relatively small changes to the price of energy have large impacts on competitiveness and jobs. It is crucial that there is an ample supply of oil and natural gas.

According to the Energy Policy Act of 2005 and the Bureau of Land Management's (BLM) Onshore Order No. 1, the DOI is required to approve or deny an application for permit to drill (APD) within 30 days upon receipt of a complete package, or defer the decision and list the actions needed for approval. The Inspector General's findings indicate that the BLM reported an average of 228 calendar days, or about 7.5 months, to process an APD during FY 2012. The BLM receives about 5,000 new APDs each year. BLM reported that the backlog of unprocessed APDs still remains at about 3,500, while the State governments process APDs in 80 days or less.

IECA supports the following Inspector General's recommendations:

- Establish accountability over the APD process by appointing a field-office-level project manager. The project manager should oversee the entire APD process and have authority to ensure APDs are timely processed;
- Develop, implement, enforce, and report performance timelines for APD processing;
- Develop outcome-based performance measures for the APD process that help enable management to improve productivity;

- Ensure that the modifications to AFMSS enable accurate and consistent data entry, effective workflow management, efficient APD processing, and APD tracking at the field office level;
- Work with Congress regarding reauthorization of the pilot offices, and request permanent appropriation funding and flexibility in applying the funds to field offices with the greatest need; and
- Implement, as practicable, the promising practices and other efficiency enhancements contained in this report.

We request that the BLM implement these recommendations in order to expedite the permitting process for onshore oil and gas leases on Federal and Indian lands and fully comply with the Energy Policy Act of 2005. These recommendations will ensure abundant supplies of oil and natural gas resources to aid in manufacturing competitiveness and jobs.

Thank you for your consideration.

Sincerely,

Paul N. Cicio
President

cc: The Honorable Mary Landrieu, Senate Committee on Energy and Natural Resources
The Honorable Lisa Murkowski, Senate Committee on Energy and Natural Resources
The Honorable Fred Upton, House Committee on Energy and Commerce
The Honorable Henry Waxman, House Committee on Energy and Commerce
The Honorable Doc Hastings, House Committee on Natural Resources
The Honorable Pete DeFazio, House Committee on Natural Resources