

**To:** House Committee on Natural Resources Republican Members **From:** House Committee on Natural Resources Republican Staff

**Date:** May 4, 2025

**Subject:** Markup of Committee Print providing for reconciliation pursuant to H. Con.

Res. 14, Concurrent Resolution on the Budget for Fiscal Year 2025

The House Committee on Natural Resources will hold a markup on **Tuesday, May 6, 2025, at 10:15 a.m.** in room 1324 Longworth House Office Building. The legislation to be considered is the Committee Print providing for reconciliation pursuant to H. Con. Res. 14, Concurrent Resolution on the Budget for Fiscal Year 2025.

Please note that the Committee Print will have an amendment in the nature of a substitute (ANS). Members should ensure that amendments are drafted to the ANS.

Member offices are requested to notify Madeline Kelley (<u>madeline.kelley@mail.house.gov</u>) by 4:30 p.m. on Monday, May 5, 2025, to confirm their Member's attendance at the mark-up.

## I. KEY MESSAGES

- The House Committee on Natural Resources is answering President Trump's call to unleash American energy dominance through commonsense, science-based, and economically sound provisions in budget reconciliation.
- Harnessing the United States' natural resource wealth, the committee is generating over \$15 billion in savings and new revenue for the federal government. Together, these proposals will increase access to America's abundant natural resources—cleanly, safely, and responsibly.
- Revenues will be generated by unleashing American energy dominance, ensuring
  affordable energy, and creating jobs across the country. This will include increasing
  domestic mining activities, which have the added effect of lessening American
  dependence on China for critical minerals and rare earth elements. Revenue will also be
  raised by reversing Biden-era spending and other actions that stifled economic
  development, locked up American resources, and granted unprecedented power to federal
  bureaucrats
- Finally, these proposals will save the American taxpayer billions of dollars in future wildfire suppression, disaster response, and deferred maintenance costs by improving stewardship of our public lands and waters. Additional savings will come from eliminating waste, fraud, and abuse; eradicating wasteful programs; and cutting the red tape that obstructs building in America.

# SUMMARY OF FISCAL YEAR 2025 BUDGET RECONCILIATION COMMITTEE PRINT

# **Subtitle A—Energy and Mineral Resources**

### Onshore Oil and Gas

Conventional energy resources will be a necessary component of the worldwide energy mix for many decades to come. The U.S. Energy Information Administration predicts a 50 percent increase in global energy consumption by 2050, with petroleum and other liquid fuels remaining the largest energy source, and natural gas consumption increases are also expected. Maximizing energy production in America will reduce global emissions, lower energy costs, create jobs domestically, help our allies abroad, and limit the need to rely on other nations' exports. In Fiscal Year (FY) 2024, federal land produced over 605 million barrels of oil and roughly 4.1 trillion cubic feet of natural gas, accounting for over \$8 billion in revenue.

Oil and gas leasing and production on federal land is overseen by the Bureau of Land Management (BLM), an agency within the U.S. Department of the Interior (DOI), in accordance with the principles of the Federal Land Policy and Management Act of 1976 (FLPMA).<sup>3</sup> BLM's regulatory jurisdiction is limited to federal lands (including minerals). For purposes of federal oil and gas management, BLM's jurisdiction extends to surface facilities on entirely non-federal lands solely to the extent of assuring production accountability for royalties from Federal oil and gas.<sup>4</sup>

For oil and gas production on federal lands, the Mineral Leasing Act (MLA) explicitly states that "lease sales shall be held for each State where eligible lands are available at least quarterly and more frequently if the Secretary of the Interior determines such sales are necessary." Unfortunately, for a year and a half, the Biden administration did not hold a lease sale until June of 2022. On June 15, 2021, a U.S. District Judge placed an injunction on DOI's unlawful moratorium and ordered DOI to restart the leasing process. In response, the Biden administration appealed the decision and continued to delay scheduling lease sales.

In total, the Biden administration held 32 lease sales, comprising 309,027 acres and bringing in roughly \$345 million. For comparison, the first Trump administration held 104 lease sales,

<sup>&</sup>lt;sup>1</sup> U.S. Energy Information Administration, EIA projects nearly 50% increase in world energy use by 2050, led by growth in renewables, Courtney Sourmehi, October 7, 2021, https://www.eia.gov/todayinenergy/detail.php?id=49876.

<sup>&</sup>lt;sup>2</sup> Natural Resources Revenue Data, <a href="https://revenuedata.doi.gov/?tab=tab-revenue">https://revenuedata.doi.gov/?tab=tab-revenue</a>.

<sup>&</sup>lt;sup>3</sup> Congressional Research Service, Energy Production on Federal Lands: Leasing and Authorization, Adam Vann, July 19, 2024, https://crs.gov/Reports/R48130?source=search.

<sup>&</sup>lt;sup>4</sup> Bureau of Land Management, Directional Drilling into Federal Mineral Estate from Well Pads on Non-Federal Locations, June 12, 2018, <a href="https://www.blm.gov/policy/pim-2018-014">https://www.blm.gov/policy/pim-2018-014</a>.

<sup>&</sup>lt;sup>5</sup> 30 U.S. Code § 226.

<sup>&</sup>lt;sup>6</sup> Partlow, Joshua and Eilperin, Juliet. Louisiana judge blocks Biden Administration's oil and gas leasing pause. <a href="https://www.washingtonpost.com/climate-environment/2021/06/15/louisiana-judge-blocks-biden-administrations-oil-gas-leasing-pause/">https://www.washingtonpost.com/climate-environment/2021/06/15/louisiana-judge-blocks-biden-administrations-oil-gas-leasing-pause/</a>.

<sup>&</sup>lt;sup>7</sup> Valerie Volcovici. "Biden administration appeals federal court decision to block oil, gas leasing pause." Reuters. August 16, 2021.

https://www.reuters.com/world/us/biden-administration-appeals-federal-court-decision-block-oil-gas-leasing-pause-2021-08-16/.

comprising roughly 4.2 million acres and bringing in \$1.77 billion. Despite their lack of action, the Biden administration attempted to take credit for the increase in energy production on federal lands, even though most production occurred on leases issued by previous administrations. The Biden administration's lack of leasing could threaten future energy security and critical revenue streams from energy production for both states and the federal government.

Once a lease is secured, BLM requires operators to submit an Application for a Permit to Drill (APD) for each well they plan to drill during exploration or production. Efficiently approving APDs increases near-term production on federal lands, which increases revenues and supply, which will ultimately drive down energy prices for all Americans.

The Committee Print would ensure that onshore quarterly lease sales are held on schedule, set reasonable royalty rates, and reduce duplicative regulatory burdens to provide the certainty necessary to increase Federal energy production and the revenues that come with it. Onshore energy provisions in the Committee Print are estimated to generate as much as \$12 billion in savings and new revenue for the Federal government.<sup>10</sup>

## Geothermal

Leasing, exploration, and development of geothermal resources on federal lands are also managed by BLM. The Geothermal Steam Act of 1970 (GSA)<sup>11</sup> currently requires the Secretary of the Interior to hold "a competitive lease sale at least once every 2 years for land in a State that has nominations pending."<sup>12</sup> However, some states, like California, have not held a competitive geothermal lease sale since 2016.<sup>13</sup> As part of the leasing process, operators may nominate federal lands for a competitive lease sale if the area indicates geothermal resources could be produced or are present. However, in many cases, many nominated parcels are not included in lease sales, further minimizing geothermal energy's potential on federal lands.

Currently, operators on federal lands must pay a royalty of not less than 1 percent and not more than 2.5 percent of the gross proceeds of electricity produced in years 1-10; not less than 2 percent and not more than 5 percent thereafter; or 10 percent of the gross value for an "armslength" sale to a developer. For direct use (i.e., heat), royalties are based on a schedule of fees. Under the GSA, 50 percent of geothermal development revenues are disbursed to the states, 25 percent to the counties where production occurs, and the remaining 25 percent to the federal government. In FY 2024, geothermal activities on federal land brought in over \$20 million in total revenue.

<sup>&</sup>lt;sup>8</sup> Bureau of Land Management, State Oil and Gas Lease Sales, <a href="https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/leasing/regional-lease-sales">https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/leasing/regional-lease-sales</a>.

<sup>&</sup>lt;sup>9</sup> Congressional Research Service, Energy Production on Federal Lands: Leasing and Authorization, Adam Vann, July 19, 2024, <a href="https://crs.gov/Reports/R48130?source=search">https://crs.gov/Reports/R48130?source=search</a>.

<sup>&</sup>lt;sup>10</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80101, 80102, 80103, 80104, and 80105.

<sup>&</sup>lt;sup>11</sup> Pub. Law 91-581.

<sup>&</sup>lt;sup>12</sup> Id.

<sup>&</sup>lt;sup>13</sup> U.S. Bureau of Land Management, California Geothermal Energy, <a href="https://www.blm.gov/programs/energy-and-minerals/renewable-energy/geothermal-energy/regional-information/california">https://www.blm.gov/programs/energy-and-minerals/renewable-energy/geothermal-energy/regional-information/california</a>.

<sup>14 30</sup> U.S.C. §1004.

<sup>15 30</sup> C.F.R. §1206.356.

<sup>16 30</sup> U.S.C. 1019.

The Committee Print would increase geothermal lease sales on federal lands, increasing baseload power for the U.S., harnessing our ability to meet rising energy demand and bringing in more revenues to states, counties and the federal government. Geothermal energy provisions in the Committee Print are estimated to generate as much as \$23 million in savings and new revenue for the Federal government.<sup>17</sup>

# Alaska Energy Production

Oil and natural gas production in Alaska generated \$3.1 billion in state and local revenue in 2019 and supported over 77,000 direct and indirect jobs, which is about 25 percent of all jobs in the state. These revenues made up 38 percent of Alaska's General Fund revenue in 2019 and were responsible for a whopping 90 percent of state revenues from business the same year. The state of Alaska receives 50 percent of the bonuses, rents, and royalties received from oil and gas production in the Arctic National Wildlife Refuge (ANWR) and the National Petroleum Reserve in Alaska (NPR-A), with the federal government receiving the other 50 percent.

ANWR was established in 1960 by Public Land Order 2214.<sup>21</sup> The range was eventually expanded and redesignated as ANWR under the Alaska National Interest Lands Conservation Act (ANILCA) in 1980.<sup>22</sup> It contains in its northwest corner the Coastal Plain, or 1002 Area, which was defined and explicitly set apart by Congress due to its significant potential for oil and gas development.<sup>23</sup> Under the Tax Cuts and Jobs Act,<sup>24</sup> Congress established an oil and gas leasing program in ANWR, requiring two lease sales within ten years. Unfortunately, the Biden administration placed a moratorium on the implementation of the leasing program in the 1002 Area,<sup>25</sup> illegally cancelled the leases lawfully executed in the first lease sale,<sup>26</sup> and ultimately issued an updated supplemental environmental impact statement (EIS) aimed at making oil and gas leasing across ANWR impossible.<sup>27</sup>

Integrated Activity Plans (IAP), issued by DOI, allocate land uses in the NPR–A and detail oil and gas lease stipulations and infrastructure restrictions for Special Areas. In 2020, the Trump administration developed a new NPR-A IAP in close partnership with North Slope Tribes and communities and Alaska Native corporations.<sup>28</sup> The Biden administration reverted management

<sup>&</sup>lt;sup>17</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80111 and 80112.

<sup>&</sup>lt;sup>18</sup> Alaska Oil and Gas Association, Benefits of Oil and Gas to Alaska, <a href="https://www.aoga.org/benefits/">https://www.aoga.org/benefits/</a>.

<sup>&</sup>lt;sup>19</sup> Alaska Oil and Gas Association, State Revenue, https://www.aoga.org/state-revenue/.

<sup>&</sup>lt;sup>20</sup> U.S. Department of Interior. BLM Alaska Oil and Gas. https://www.blm.gov/programs/.

<sup>&</sup>lt;sup>21</sup> U.S. Federal Register, Establishing the Arctic National Wildlife Range, Fred A. Seaton, Dec. 8, 1960, <a href="https://archives.federalregister.gov/issue-slice/1960/12/9/12596-12599.pdf#page=3">https://archives.federalregister.gov/issue-slice/1960/12/9/12596-12599.pdf#page=3</a>.

<sup>&</sup>lt;sup>22</sup> M. Lynne Corn, Michael Ratner, and Laura B. Comay. Arctic National Wildlife Refuge (ANWR): An Overview. (Congressional Research Service, RL33872), (2017).

<sup>&</sup>lt;sup>23</sup> 16 U.S.C. § 3142.

<sup>&</sup>lt;sup>24</sup> Pub. Law 115–97.

<sup>&</sup>lt;sup>25</sup> Exec. Order No. 13990, 86 F.R. 7037 (2020).

<sup>&</sup>lt;sup>26</sup> U.S. Department of the Interior, Biden-Harris Administration Takes Major Steps to Protect Arctic Lands and Wildlife in Alaska, 9/6/23, <a href="https://www.doi.gov/pressreleases/biden-harris-administration-takes-major-steps-protect-arctic-lands-and-wildlife-alaska">https://www.doi.gov/pressreleases/biden-harris-administration-takes-major-steps-protect-arctic-lands-and-wildlife-alaska</a>.

<sup>&</sup>lt;sup>27</sup> Bureau of Land Management, Coastal Plain Oil and Gas Leasing Program Record of Decision, December 2024, <a href="https://eplanning.blm.gov/public\_projects/2015144/200492847/20124527/251024507/CoastalPlainSEIS\_ROD\_20241208\_508.p">https://eplanning.blm.gov/public\_projects/2015144/200492847/20124527/251024507/CoastalPlainSEIS\_ROD\_20241208\_508.p</a> df.

df. 28 Bureau of Land Management, Trump Administration Updates Plan for Responsible Energy Development in Alaska's National Petroleum Reserve, January 4, 2021, <a href="https://www.blm.gov/press-release/trump-administration-updates-plan-responsible-energy-development-alaskasnational">https://www.blm.gov/press-release/trump-administration-updates-plan-responsible-energy-development-alaskasnational</a>.

of the NPR-A to the Obama administration's 2013 IAP<sup>29</sup> and crafted its own NPR-A rulemaking, entirely preventing oil and gas leasing in half of the NPR-A and making it extremely burdensome in the other half, jeopardizing onshore production and critical revenue streams in the state.<sup>30</sup>

The Committee Print would rectify these mistakes by guaranteeing four more lease sales in the 1002 Area while guaranteeing robust lease sales every other year in the NPR-A. Alaska energy production related provisions in the Committee Print are estimated to generate as much as \$1.5 billion in savings and new revenue for the Federal government.<sup>31</sup>

## Hardrock Mining

Minerals are foundational to U.S. national and economic security. Copper, nickel, lithium, and other hardrock commodities mined on public lands play a key role in supporting our defense industrial base, generating federal revenues, and creating trillions of dollars of value in domestic downstream industries. Unfortunately, for decades, the U.S. has increasingly ceded its mineral dominance to hostile foreign nations. In 2024, the U.S. was over 50 percent import-reliant on apparent consumption of 46 nonfuel mineral commodities and 100 percent net import-reliant for 15 of those commodities. Overall, China supplies the largest portion of these imports, controlling an estimated 60 percent of global mining, 90 percent of processing, and 75 percent of manufacturing of critical materials.

U.S. mineral reliance vulnerabilities were significantly exacerbated under the Biden administration, which treated domestic mining with hostility at every turn. The Biden administration repeatedly delayed project reviews, revoked pre-existing authorizations, and instituted arbitrary development moratoriums on vast swaths of federal lands. These actions include improperly cancelling mining leases for a valuable deposit of copper and nickel in northern Minnesota<sup>35</sup> and illegally rejecting a right-of-way (ROW) for a road to the Ambler Mining District in Alaska.<sup>36</sup> The Biden administration's neglect of America's vast mineral wealth has created major national and economic security risks as China continues to restrict mineral exports to the U.S. In the last two years, China has banned the export of gallium,

<sup>&</sup>lt;sup>29</sup> Bureau of Land Management, BLM provides update in review of 2020 Integrated Activity Plan for the National Petroleum Reserve in Alaska, January 10, 2022.

<sup>&</sup>lt;sup>30</sup> Bureau of Land Management, Management and Protection of the National Petroleum Reserve in Alaska, 5/7/24, <a href="https://www.federalregister.gov/documents/2024/05/07/2024-08585/management-and-protection-of-the-national-petroleum-reserve-in-alaska">https://www.federalregister.gov/documents/2024/05/07/2024-08585/management-and-protection-of-the-national-petroleum-reserve-in-alaska</a>.

<sup>&</sup>lt;sup>31</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80121 and 80122.

<sup>&</sup>lt;sup>32</sup> USGS, Mineral Commodity Summaries 2025, <a href="https://pubs.usgs.gov/periodicals/mcs2025/mcs2025.pdf">https://pubs.usgs.gov/periodicals/mcs2025/mcs2025.pdf</a>.

<sup>&</sup>lt;sup>34</sup> Rep. Kevin Stitt, *A Mineral Strategy for American Security*, WALL St. J. (July 16, 2023), *available at* <a href="https://www.wsj.com/articles/a-mineral-strategy-for-american-security-permitting-reform-oklahoma-china-8cb213f0">https://www.wsj.com/articles/a-mineral-strategy-for-american-security-permitting-reform-oklahoma-china-8cb213f0</a>.

<sup>&</sup>lt;sup>35</sup> House Committee on Natural Resources, Westerman, Stauber on the Biden Administration's Disastrous Mine Leasing Decision, 1/26/22, https://naturalresources.house.gov/news/documentsingle.aspx?DocumentID=410682.

<sup>&</sup>lt;sup>36</sup> Bureau of Land Management, Ambler Road Supplemental Environmental Impact Statement, June 2024, <a href="https://eplanning.blm.gov/public\_projects/57323/200091317/20118938/251018918/Ambler%20Road%20BLM%20ROD\_508.pd">https://eplanning.blm.gov/public\_projects/57323/200091317/20118938/251018918/Ambler%20Road%20BLM%20ROD\_508.pd</a> f.

germanium, and antimony<sup>37</sup> and imposed export restrictions on graphite, tungsten, and seven rare earth elements used in the defense, energy and automotive sectors.<sup>38</sup>

On March 20, 2025, President Trump issued an executive order titled "Immediate Measures to Increase American Mineral Production," taking a whole of government approach to harness the United States vast mineral resources to create jobs, fuel prosperity and reduce our reliance on foreign nations.<sup>39</sup> The Committee Print supports domestic mining and the executive order by reinstating mineral leases cancelled by the Biden administration, reversing administrative decisions that were hostile towards domestic production, and unlocking new opportunities for exploration and development. These actions mark a monumental step towards safeguarding U.S. mineral dominance for years to come, and with it our national security, economic vitality, and much needed federal revenues. Onshore and offshore energy provisions in the Committee Print are estimated to generate as much as \$85 million in savings and new revenue for the Federal government.<sup>40</sup>

## Coal

Federal coal mining and associated mine reclamation are regulated by the Surface Mining Control and Reclamation Act (SMCRA) of 1977<sup>41</sup> and overseen by the Office of Surface Mining Reclamation and Enforcement (OSMRE). Additionally, BLM is responsible for coal leasing under the MLA on over 570 million acres of federally owned land.<sup>42</sup> Coal production on federal lands brought in roughly \$500 million in revenue in FY 2024.<sup>43</sup> These revenues are shared by the federal government and the state where the coal is leased.

On April 16, 2021, Secretary of the Interior Deb Haaland issued Secretarial Order 3398, suspending coal leasing and directing a new review of the federal coal program.<sup>44</sup> On August 15, 2022, a federal judge fully reinstated the moratorium on new coal leasing.<sup>45</sup> In February 2024, the Ninth Circuit vacated this decision.<sup>46</sup> Despite this ruling, the last administration never reversed course and never resumed a proper review of coal operation expansion plans.<sup>47</sup>

<sup>&</sup>lt;sup>37</sup> Amy Lv, Tony Munroe, China bans export of critical minerals to US as trade tensions escalate, Reuters, <a href="https://www.reuters.com/markets/commodities/china-bans-exports-gallium-germanium-antimony-us-2024-12-03/">https://www.reuters.com/markets/commodities/china-bans-exports-gallium-germanium-antimony-us-2024-12-03/</a>.

<sup>&</sup>lt;sup>38</sup> Gracelin Baskaran, Meredith Schwartz, The Consequences of China's New Rare Earths Export Restrictions, CSIS, https://www.csis.org/analysis/consequences-chinas-new-rare-earths-export-restrictions.

<sup>&</sup>lt;sup>39</sup> Executive Order on Immediate Measures to Increase American Mineral Production," The White House, March 20, 2025, <a href="https://www.whitehouse.gov/presidential-actions/2025/03/immediate-measures-to-increase-american-mineral-production/">https://www.whitehouse.gov/presidential-actions/2025/03/immediate-measures-to-increase-american-mineral-production/</a>.

 <sup>&</sup>lt;sup>40</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80131 and 80132.
 <sup>41</sup> 30 U.S.C. 1251 et seq.

<sup>&</sup>lt;sup>42</sup> U.S. Bureau of Land Management, National Coal Statistics Table, <a href="https://www.blm.gov/programs/energy-and-minerals/coal/coal-data">https://www.blm.gov/programs/energy-and-minerals/coal/coal-data</a>.

<sup>43</sup> U.S. Department of the Interior, Natural Resources Revenue Data, https://revenuedata.doi.gov/query-data/.

<sup>&</sup>lt;sup>44</sup> U.S. Department of the Interior, ORDER NO. 3398, April 16, 2021, https://www.doi.gov/sites/doi.gov/files/elips/documents/so-3398-508\_0.pdf.

<sup>&</sup>lt;sup>45</sup> Clark Mindock, "Judge reinstates Obama-era coal-leasing ban," Reuters, August 15, 2022, https://www.reuters.com/legal/litigation/judge-reinstates-obama-era-coal-leasing-ban-2022-08-13/.

<sup>&</sup>lt;sup>46</sup> Hannah Northey and Niina Farah, "9th Circuit ruling axes Obama-era freeze on coal leasing", E&E, Feb. 21, 2024, <a href="https://www.eenews.net/articles/9th-circuit-ruling-axes-obama-era-freeze-on-coalleasing/#:~:text=The%20appellate%20court%20panel%20found,moratorium%20on%20new%20coal%20leasing.&text=A%20federal%20appellate%20court%20on,coal%20leases%20on%20public%20lands.</a>

<sup>&</sup>lt;sup>47</sup> Hannah Northey, "Coal Company sues Interior over delayed leasing," Mar. 7, 2024, https://subscriber.politicopro.com/article/eenews/2024/03/07/coal-company-sues-interior-over-delayed-leasing-00145339.

On April 8, 2025, President Trump issued an executive order titled "Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241," designating coal as a critical mineral and directing federal agencies to remove barriers to coal leasing and production on Federal lands. The Committee Print supports the executive order by ensuring that the leasing program for coal is reinstated permanently and DOI processes coal leases expeditiously. Coal-related provisions in the Committee Print are estimated to generate as much as \$279 million in savings and new revenue for the Federal government.

# National Environmental Policy Act

The National Environmental Policy Act of 1969 (NEPA) is a procedural statute that established parameters for assessing and publicly disclosing the environmental impact of all major federal actions. The requirements in NEPA apply to all "major federal actions," which include a broad range of actions affecting the American economy. This can include, but is not limited to, the construction of critical infrastructure, such as roads, bridges, highways, ports, irrigation systems, transmission lines, conventional and renewable energy projects, broadband, and water infrastructure. It also encompasses grazing, forest management, and wildfire protection on federal lands. Originally intended to ensure an appropriate balance between protecting the environment and economic development, the NEPA process has become increasingly complex, resulting in unwieldy NEPA documents and timelines and increased frivolous litigation. <sup>50</sup>

While well-intentioned, ambiguity in the statute has allowed NEPA to evolve into an extremely cumbersome and lengthy process that has increased costs for numerous projects ranging from transportation and infrastructure, to forestry and energy development. NEPA has imposed significant time and cost burdens, with environmental analysis adding an estimated average of \$4.2 million to project costs. The Council on Environmental Quality (CEQ) recently found that Federal Highway Administration projects take more than seven years to get from a notice of intent (NOI) to the issuance of a record of decision (ROD). It should be noted that in 1981, CEQ predicted that agencies should be able to complete an EIS in twelve months or less. Adding to this complexity is the fact that NEPA is the "most frequently litigated environmental statute," according to the Department of Justice. Similarly, a recent study by the Breakthrough Institute, found that NEPA-related litigation on EISs takes an average of 4.2 years to resolve.

<sup>&</sup>lt;sup>48</sup> Executive Order "Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241," The White House, April 8, 2025, <a href="https://www.whitehouse.gov/presidential-actions/2025/04/reinvigorating-americas-beautiful-clean-coal-industry-and-amending-executive-order-14241/">https://www.whitehouse.gov/presidential-actions/2025/04/reinvigorating-americas-beautiful-clean-coal-industry-and-amending-executive-order-14241/</a>.

<sup>&</sup>lt;sup>49</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80141, 80142, 80143, 80144 and 80302.

<sup>&</sup>lt;sup>50</sup> Source: Healthy Forests, Healthy Communities, 2020.

<sup>&</sup>lt;sup>51</sup> NEPA Modernization 101: An Outdated Environmental Law the is Impeding Clean Energy Developments, C3 SOLUTIONS, <a href="https://www.c3solutions.org/wp-content/uploads/2021/02/NEPA-Modernization.pdf">https://www.c3solutions.org/wp-content/uploads/2021/02/NEPA-Modernization.pdf</a>.

<sup>&</sup>lt;sup>52</sup> Council on Environmental Quality, Update to the Regulations Implementing the Procedural Provisions of the National Environmental Policy Act, 7.16.2020, <a href="https://www.federalregister.gov/documents/2020/07/16/2020-15179/update-to-the-regulations-implementing-the-procedural-provisions-of-the-national-environmental#footnote-2-p43305">https://www.federalregister.gov/documents/2020/07/16/2020-15179/update-to-the-regulations-implementing-the-procedural-provisions-of-the-national-environmental#footnote-2-p43305</a>.

<sup>&</sup>lt;sup>53</sup> Forty Most Asked Questions Concerning CEQ's National Environmental Policy Act Regulations, 46 FR 18026 (Mar. 23, 1981) ("Forty Questions"), <a href="https://www.energy.gov/nepa/articles/forty-most-asked-questions-concerning-ceqs-national-environmental-policy-act">https://www.energy.gov/nepa/articles/forty-most-asked-questions-concerning-ceqs-national-environmental-policy-act</a>.

policy-act.

54 Congressional Research Service, "National Environmental Policy Act: Judicial Review and Remedies," Nina M. Hart and Linda Tsang, September 22, 2021, IF11932.

<sup>&</sup>lt;sup>55</sup> The Breakthrough Institute, Understanding NEPA Litigation: A systematic Review of Recent NEPA-Related Appellate Court Cases, 7.11.24, <a href="https://thebreakthrough.org/issues/energy/understanding-nepa-litigation">https://thebreakthrough.org/issues/energy/understanding-nepa-litigation</a>.

Last year, the Biden administration's CEQ issued a NEPA rulemaking<sup>56</sup> that weaponized the NEPA process to delay critical domestic energy projects. Further, prolonged analysis and constant litigation challenging the sufficiency of environmental documents continue to pose significant barriers to transportation infrastructure, transmission buildout, forest management, drought mitigation efforts, and more.

The Committee Print would allow project proponents to pay a fee of 125 percent of the anticipated costs of preparing an environmental document in return for streamlined NEPA reviews, reducing the preparation time for an Environmental Impact Statement to one year and for an Environmental Assessment to six months, raising federal revenues while also providing certainty in the permitting process. NEPA provisions in the Committee Print are estimated to generate more than \$1 billion in savings and new revenue for the Federal government. <sup>57</sup>

# Offshore Oil and Gas Leasing

Since the inception of the National Outer Continental Shelf (OCS) leasing program in 1980, the Bureau of Ocean Energy Management (BOEM) has implemented nine offshore oil and gas leasing programs before publishing the 2024-2029 Program. On average, each program has historically scheduled about 24 lease sales, usually occurring at least twice annually and often three times a year. He first three of these programs, published in 1980, 1982, and 1987, respectively, averaged 40 scheduled sales per program. These sales not only showcased the vast energy potential of the OCS regions but also underlined the nation's resolve to meet its energy demands while highlighting the economic benefits that the U.S. Treasury and coastal states gain from offshore activities.

The Biden administration decided to take radical action by delaying the National OCS Leasing Program for two full years, letting the 2017-2022 program expire without a replacement for the first time ever. Subsequently, the Biden administration published a plan in 2024, bringing the total number of lease sales down from the historic average of 24 to three sales over five years (2024-2029). The plan also left Alaska without a single lease sale. This absence of new OCS leasing exacerbates Alaska's energy insecurity, despite probable reserves of 843–1,404 billion cubic feet that remain. Each of the control of the control of the probable reserves of 843–1,404 billion cubic feet that remain.

The Biden administration's 2024–2029 Proposed Final Program restricted lease sales, thus reducing future offshore energy receipts, curbing Treasury revenues, limiting the gross domestic

<sup>&</sup>lt;sup>56</sup> National Environmental Policy Act Implementing Regulations Revisions Phase 2, 89 Fed. Reg. 35442 (May 1, 2024) (to be codified at 40 C.F.R. §§ 1500-08), <a href="https://www.federalregister.gov/documents/2024/05/01/2024-08792/national-environmental-policy-act-implementingregulations-revisions-phase-2">https://www.federalregister.gov/documents/2024/05/01/2024-08792/national-environmental-policy-act-implementingregulations-revisions-phase-2</a>.

<sup>&</sup>lt;sup>57</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Section 80151.

<sup>&</sup>lt;sup>58</sup>U.S. Bureau of Ocean Energy Management, National Program, Past Programs, Jan 3, 2024 <a href="https://www.boem.gov/oil-gas-energy/national-program/national-ocs-oil-and-gas-leasing-program">https://www.boem.gov/oil-gas-energy/national-program/national-ocs-oil-and-gas-leasing-program</a>.

<sup>&</sup>lt;sup>59</sup> National Academies Press, The Evolution of Federal OCS Program, 1992 <a href="https://nap.nationalacademies.org/read/2062/chapter/11#110.">https://nap.nationalacademies.org/read/2062/chapter/11#110.</a>

 <sup>&</sup>lt;sup>60</sup> U.S. Bureau of Ocean Energy Management, National Program, Past Programs, Sept, 28, 2023 <a href="https://www.boem.gov/oil-gas-energy/national-program/national-ocs-oil-and-gas-leasing-program">https://www.boem.gov/oil-gas-energy/national-program/national-ocs-oil-and-gas-leasing-program</a>.
 <sup>61</sup> U.S. Bureau of Ocean Energy Management. (2025, April 17). National OCS Oil and Gas Leasing Program. Retrieved from

<sup>&</sup>lt;sup>61</sup> U.S. Bureau of Ocean Energy Management. (2025, April 17). National OCS Oil and Gas Leasing Program. Retrieved from <a href="https://www.boem.gov/oil-gas-energy/national-program/national-ocs-oil-and-gas-leasing-program">https://www.boem.gov/oil-gas-energy/national-program/national-ocs-oil-and-gas-leasing-program</a>.

<sup>&</sup>lt;sup>62</sup> Natural Gas Intelligence. (2024, August 27). Alaska looking to secure vital natural gas supplies via Cook Inlet. Retrieved from <a href="https://naturalgasintel.com/news/alaska-looking-to-secure-vital-natural-gas-supplies-via-cook-inlet/">https://naturalgasintel.com/news/alaska-looking-to-secure-vital-natural-gas-supplies-via-cook-inlet/</a>.

product (GDP) growth, and threatening to raise gasoline and energy prices for American families and businesses. The Committee Print directs the Secretary of the Interior to conduct mandatory offshore oil and gas lease sales in the Gulf of America and Cook Inlet Planning Area. Increased offshore oil and gas leasing boosts federal receipts, supports the GDP, stabilizes energy prices, and spurs economic growth.

This Committee Print also protects fully executed leases from Congressionally required sales from being improperly rescinded by prohibiting their cancellation except under procedures in Section 5 of the Outer Continental Shelf Lands Act (43 U.S.C. § 1334). By ensuring lease realization, the provision preserves federal revenues, supports energy production, and promotes economic growth.

Over the past 20 years, offshore oil and gas leasing has generated approximately \$129.87 billion in revenue, averaging around \$6.49 billion annually. This substantial income stream is pivotal for both federal and state governments, supporting a wide range of public services, infrastructure projects, and conservation initiatives. Offshore energy provisions in the Committee Print are estimated to generate more than \$3 billion in savings and new revenue for the Federal government. 4

# Renewable Energy

The BLM currently charges what they call a "megawatt capacity fee" on wind and solar energy projects located on federal lands. This fee attempts to reflect the industrial use value of the land to generate electricity. In May 2024, the Biden administration's BLM published a final rule titled "Rights-of-Way, Leasing, and Operations for Renewable Energy." This rule substantially reduced megawatt capacity fees paid by wind and solar energy projects on federal lands. For example, all current and potential renewable energy projects coming online through 2036 now receive a base 80 percent reduction in megawatt capacity fees for the entirety of their ROW term.

To accompany its 2024 final rule, BLM published a regulatory impact analysis outlining the economic effects of its new rental rates and megawatt capacity fees. <sup>68</sup> The analysis found that authorized solar projects on BLM lands would pay acreage rents and capacity fees totaling just 1.46 percent of annual revenues over a 10-year period, while wind projects would annually pay 1.85 percent of revenues. <sup>69</sup> This data clearly shows that the Biden administration's final rule gives renewable projects an unfair advantage over other sources of energy on federal lands, all while eliminating hundreds of millions of dollars in vital federal revenues. For example,

<sup>&</sup>lt;sup>63</sup> U.S. Office of Natural Resources Revenue, Jan 5, 2024, Query, Federal Offshore Revenue <a href="https://revenuedata.doi.gov/query-data?dataType=Revenue">https://revenuedata.doi.gov/query-data?dataType=Revenue</a>.

<sup>&</sup>lt;sup>64</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80171 and 80173.

<sup>&</sup>lt;sup>65</sup> Bureau of Land Management, Acreage Rent and Megawatt Capacity Fees (Years 2016-2021) for Solar and Wind Energy ROW Grants and Leases, https://www.blm.gov/policy/im-2017-

<sup>096#:~:</sup>text=The%20BLM%20will%20update%20the,the%20appropriate%20MW%20capacity%20fee.

<sup>66 43</sup> CFR Part 2800, RIN 1004-AE78, https://www.federalregister.gov/documents/2024/05/01/2024-08099/rights-of-way-leasing-and-operations-for-renewable-energy.

<sup>&</sup>lt;sup>68</sup> Regulatory Impact Analysis for Revisions to 43 CFR 2800, U.S. Bureau of Land Management, April 2024.
<sup>69</sup> Id.

geothermal energy, a renewable, baseload power source in the early stages of development compared to the solar and wind industries, pays a 1.75 percent royalty for the first 10 years of production and a 3.5 percent royalty for the remainder of production.<sup>70</sup>

There is currently no revenue-sharing mechanism for wind and solar projects on federal lands. Instead, 100 percent of the revenues from renewable energy development are directed towards the federal government. This is contrary to other sources of energy generation and production on federal lands, including oil, gas, coal, and geothermal, which share revenues between various federal and state funds. For example, under the GSA, 50 percent of geothermal development revenues are disbursed to the states, and 25 percent of revenues are disbursed to the counties where production occurs.<sup>71</sup>

The Committee Print addresses these issues by setting annual renewable acreage rents and megawatt capacity fees in statute at pre-Biden era levels and creating a renewable energy revenue-sharing mechanism with states and counties. Renewable energy provisions in the Committee Print are estimated to generate as much as \$300 million in savings and new revenue for the Federal government.<sup>72</sup>

# Subtitle B—Water, Wildlife, and Fisheries

## **NOAA Rescissions**

The Committee Print rescinds the remaining funds available for two National Oceanic and Atmospheric Administration (NOAA) Inflation Reduction Act slush funds, the 'Investing in Coastal Communities and Climate Resilience' and the 'Facilities of the National Oceanic and Atmospheric Administration and National Marine Sanctuaries' section of the so-called Inflation Reduction Act. According to the Congressional Budget Office (CBO), the NOAA rescissions in the Committee Print are estimated to save \$129 million for the federal government.<sup>73</sup>

## Bureau of Reclamation Investments

The Committee Print provides a total of \$2.5 billion for construction and associated activities that increase the capacity of existing Bureau of Reclamation surface water storage and conveyance facilities.

<sup>&</sup>lt;sup>70</sup> 43 CFR § 3211.17, https://www.law.cornell.edu/cfr/text/43/3211.17.

<sup>&</sup>lt;sup>71</sup> 30 U.S.C. 1019.

<sup>&</sup>lt;sup>72</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80181 and 80182.

<sup>&</sup>lt;sup>73</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80201 and 80202.

### **Subtitle C—Federal Lands**

Subtitle C of the Committee Print contains provisions that support President Trump's energy dominance agenda, improve forest health and resiliency, unlock America's natural resource wealth and celebrate America's upcoming 250<sup>th</sup> anniversary. This subtitle also repeals wasteful slush funds authorized under the so-called Inflation Reduction Act for the U.S. Forest Service (USFS), BLM, and National Park Service.

# Repealing Resource Management Plans

This subtitle repeals resource management plans (RMPs) finalized during the Biden administration in Wyoming, North Dakota, Colorado and Montana. Using a death-by-athousand-cuts approach, the Biden administration finalized these plans against the wishes of state and locally elected officials and removed millions of acres of land from multiple use. In Wyoming, the Buffalo RMP prohibited new coal leasing on 50 billion tons of coal reserves and the Rock Springs RMP closed nearly 1.1 million acres to oil and gas development.<sup>74</sup> The North Dakota RMP restricted development on 99 percent of the state's federal coal acreage and 44 percent of its fluid mineral acreage. 75 Similarly, the Colorado River Valley and Grand Junction RMPs collectively closed more than 1 million acres of land to fluid mineral leasing. <sup>76</sup> Finally, in Montana, the Miles City RMP prohibited new federal coal leasing on approximately 1.75 million acres of land.<sup>77</sup> Cumulatively, these RMPs hurt American energy dominance by making it more difficult to access affordable, reliable, and clean energy sources. Opening these areas back up to energy development by overturning these RMPs will not only generate substantial revenue for the federal government but will also help support rural Western economies. Provisions to unlock American natural resources in the Committee Print are estimated to generate as much as \$300 million in savings and new revenue for the Federal government.<sup>78</sup>

## Timber Harvesting

Across the country, more than one billion acres are at risk of wildland fire.<sup>79</sup> Federal land management agencies now identify a combined 117 million acres of federal land at high or very high risk for wildfire, representing nearly one-fifth of the overall land these agencies oversee.<sup>80</sup>

<sup>&</sup>lt;sup>74</sup> "Notice of Availability of the Record of Decision and Approved Resource Management Plan for the Rock Springs Field Office, Wyoming" published by the Bureau of Land Management on January 7, 2025 (80 Fed. Reg. 1186). "Notice of Availability of the Record of Decision and Approved Resource Management Plan Amendment for the Buffalo Field Office,

Wyoming" published by the Bureau of Land Management on November 27, 2024 (89 Fed. Reg. 93650).

75 "Record of Decision and Approved Resource Management Plan for the North Dakota Resource Management Plan/Environmental Impact Statement, North Dakota" published by the Bureau of Land Management on January 15, 2025 (90 Fed. Reg. 3915).

<sup>&</sup>lt;sup>76</sup> "Availability of the Records of Decision and Approved Resource Management Plans for the Grand Junction Field Office and the Colorado River Valley Field Office, Colorado" published by the Bureau of Land Management on October 22, 2024 (89 Fed. Reg. 84385).

<sup>&</sup>lt;sup>77</sup> Notice of Availability of the Record of Decision and Approved Resource Management Plan Amendment for the Miles City Field Office, Montana" published by the Bureau of Land Management on November 27, 2024 (89 Fed. Reg. 93650).

<sup>&</sup>lt;sup>78</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80301, 80302, 80303, 80304, and 80305.

 <sup>&</sup>lt;sup>79</sup> Testimony of Christopher French, Deputy Chief, U.S. Forest Service, before the Senate Energy and Natural Resources Committee, June 24, 2021, <a href="https://www.energy.senate.gov/services/files/AAF7DF40-2A47-4951-ADA4-4B124AD3894F">https://www.energy.senate.gov/services/files/AAF7DF40-2A47-4951-ADA4-4B124AD3894F</a>.
 <sup>80</sup> Hoover, Katie, "Federal Wildfire Management: Ten-Year Funding Trends and Issues (FY2011-FY2020)," October 28, 2020, CRS, R46583.

High-risk federal forests are overloaded with dangerous dry fuels that have accumulated through a century of fire suppression combined with a lack of thinning, prescribed burns, and mechanical treatments. 81 In line with President Trump's recent Executive Order to expand timber harvesting on overgrown, fire-prone federal lands, this subtitle would direct agencies to increase timber harvesting by 25 percent. 82 A major impediment to carrying out necessary fuels management has been the loss of sawmill infrastructure. Since 2000, over 1,500 sawmills—one-third of all sawmills operating in 2000—have closed.<sup>83</sup> To address this, this subtitle directs USFS and BLM to offer 20-year contracts to provide long-term certainty and attract the infrastructure needed to process hazardous fuels. These provisions will not only make our forests healthier and less prone to catastrophic wildfire but will also generate significant revenues for the Treasury. Provisions related to timber harvesting in the Committee Print are estimated to generate as much as \$158 million in savings and new revenue for the Federal government.<sup>84</sup>

# Celebrating America and Its Heroes

Finally, Subtitle C supports President Trump's efforts to honor America's upcoming 250<sup>th</sup> anniversary in 2026. It provides resources to construct a National Garden of American Heroes.<sup>85</sup> According to the President, this Garden will "reflect the awesome splendor of our country's timeless exceptionalism" and be a "place where citizens, young and old, can renew their vision of greatness" in the American dream. 86 This subtitle provides \$40 million to the Secretary of the Interior to ensure the timely completion of the Garden. In addition, the Committee Print provides \$150 million for events, celebrations, and activities related to the 250th anniversary of America's founding.

## III. MAJOR PROVISIONS AND SECTION-BY-SECTION ANALYSIS

HNR Committee Print Section-by-Section Analysis

## IV. CBO SCORES

The Committee has received preliminary estimates of bill sections from CBO, which are noted in the section-by-section.

<sup>81</sup> Ingram, Robert G. "Robert G. Ingram: Forest Fuel Management - the Ugly Truth." The Union.com, October 9, 2020, www.theunion.com/opinion/columns/robert-g-ingram-forest-fuel-management-the-ugly-truth/.

<sup>82 &</sup>quot;Immediate Expansion of American Timber Production," March 1, 2025, https://www.whitehouse.gov/presidentialactions/2025/03/immediate-expansion-of-american-timber-production/.

83 Congressional Budget Office, "Wildfires", June 2022, https://www.cbo.gov/publication/58212.

<sup>&</sup>lt;sup>84</sup> Based on the total of preliminary scores provided by the Congressional Budget Office for Sections 80311, 80312, 80313 and

<sup>85</sup> Executive Order 13934 of July 3, 2020 (85 Fed. Reg. 41165) and Executive Order 13978 of January 18, 2021 (86 Fed. Reg.

<sup>86 &</sup>quot;Executive Order on Building the National Garden of American Heroes," Trump White House, January 18, 2021, https://trumpwhitehouse.archives.gov/presidential-actions/executive-order-building-national-garden-american-heroes/.