

United States Senate

WASHINGTON, DC 20510

July 19, 2023

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Biden:

We are writing in regards to the urgent need to reform the Federal oil and gas system. The Biden-Harris Administration previously signaled its intent to modernize the Federal oil and gas program through a rulemaking process, and Congress has since acted on some of the necessary reforms within the Inflation Reduction Act (IRA). However, the Department of the Interior (DOI) has not yet released a proposed rule implementing the reform provisions in the IRA, nor the changes that DOI recommended in its own review from November 2021. Therefore, we are writing to urge you and your Administration to move forward on its proposed rulemaking to reform the Bureau of Land Management's (BLM) oil and gas leasing system.

As you are aware, the Administration first published its intent to [initiate](#) the rulemaking process in the Office of Information and Regulatory Affairs' (OIRA) Spring 2021 unified agenda.¹ It was also included in the [Fall 2022 unified agenda](#).² OIRA later began an initial [internal review](#) of a proposed rule in March 2023, but it still has not been released publicly.³

In addition, following lengthy engagement with state and local officials, Tribes, and other stakeholders, DOI released its review⁴ of the Federal and oil and gas system in November 2021 - prepared in response to Executive Order 14008: *Tackling the Climate Crisis at Home and Abroad*.⁵ Specifically, the report "*identifies significant reforms that should be made to ensure the programs provide a fair return to taxpayers, discourage speculation, hold operators responsible for remediation, and more fully include communities and Tribal, state, and local governments in decision-making.*"⁶ Of particular note are the report's recommendations not included in the Inflation Reduction Act that "*(t)he BLM should evaluate operational adjustments to its leasing program that will avoid nomination or leasing of low potential lands*" and "*(t)he BLM should increase minimum bond amounts.*"

¹ <https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202104&RIN=1004-AE80>

² <https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202210&RIN=1004-AE80>

³ <https://www.reginfo.gov/public/do/eoDetails?rrid=306965>

⁴ <https://www.doi.gov/sites/doi.gov/files/report-on-the-federal-oil-and-gas-leasing-program-doi-eo-14008.pdf>

⁵ <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>

⁶ <https://www.doi.gov/pressreleases/interior-department-report-finds-significant-shortcomings-oil-and-gas-leasing-programs>

Following the IRA's passage into law, the BLM released a number of [Instruction Memoranda](#) to explain its immediate implementation of the law's provisions.⁷ These documents, while laying out important principles, provide only temporary and general guidance and are not sufficient for ensuring durable implementation of the new law. A BLM rulemaking process is required to at least codify the updates that have been made to the onshore leasing program and to ensure consistency with the new law.

Despite DOI's recommended changes, Congress' actions to reform the oil and gas program, and OIRA's nascent effort on an unreleased rule, the BLM has already announced plans this year to make nearly 380,000 acres of federal public lands available for oil and gas lease sales - and the announcement of more sales is expected. We are concerned DOI is moving forward with additional leasing prior to releasing its proposed rule to revise the BLM's fossil fuel regulations to implement the IRA's reforms.

As part of the rulemaking, the Administration should also address the remaining core problems that DOI highlighted in its November 2021 report, including –

- Reforming the bonding system so oil and gas companies are required to pay for the cost of plugging and reclaiming the wells drilled on public lands;
- Ensuring a more transparent process that provides meaningful opportunity for public engagement and Tribal consultation;
- Avoiding drilling on lands with low and no development potential; and
- Steering oil and gas development away from wildlife habitat, historic properties, sacred sites, and outdoor recreation areas.

We strongly urge you and your Administration to move forward with greater urgency on a rulemaking to enact common sense reforms to the decades-old federal oil and gas program. Thank you for your consideration.

Sincerely,



Catherine Cortez Masto
United States Senator



Michael F. Bennet
United States Senator

⁷ https://www.blm.gov/sites/default/files/docs/2022-11/Fact%20Sheet_Oil%20and%20Gas%20Leasing%20Guidance_%2011.21.22.pdf