



U.S. CHAMBER OF COMMERCE



November 25, 2014

The Honorable John Boehner
Speaker
H-232, the Capitol
Washington, DC 20515

Dear Speaker Boehner:

We write today, representing thousands of oil and gas explorers, producers, service and supply companies and manufacturers to offer our support for S. 2440, the BLM Permit Processing Improvement Act of 2014, introduced by Senator Tom Udall (D-NM) and Senator John Barrasso (R-WY), and request that the House of Representatives consider it on the floor during the last days of the 113th Congress. This bipartisan legislation, which the Senate passed under unanimous consent in September, reauthorizes and makes reforms to the successful Bureau of Land Management (BLM) pilot project program, which was authorized in the Energy Policy Act of 2005.

U.S. shale oil and natural gas development has been a game changer for our nation's energy future, and production on federal lands not only enhances our energy security and creates jobs, it also provides millions of dollars of government revenue. To realize these benefits, a robust BLM permitting system is needed that efficiently distributes resources to offices with the heaviest workloads, a key goal of the BLM pilot program. To further these efforts, we express our support for S. 2440 and ask that the House of Representatives pass the bill in order to ensure that the BLM pilot program does not expire in 2015.

The pilot project has a proven track record of success in the original seven field offices. At the time of implementation, these existing BLM offices processed nearly 70 percent of the "applications for permits to drill" (APD) that were received by the BLM, yet as the industry changes and new plays attract investment, that framework has grown too rigid. This legislation provides greater flexibility to ensure that funding is allocated according to actual activity levels in specific regions.

Production of oil and natural gas on federal land is an important element of an all-of-the-above energy strategy and provides many benefits to the U.S. economy by way of jobs, government revenues and energy security. Unfortunately, a recent Congressional Research Service (CRS) report affirmed that oil and natural gas production on federal lands continues to decline and BLM permitting times continue to increase. The Department of Interior's (DOI) own Inspector General released a report this summer citing inefficiencies within BLM permit processing and recommended that BLM work with Congress to

reauthorize the pilot project and work on solutions to enhance flexibility within the program. S. 2440 helps to achieve those goals. Given the strong bipartisan support for S. 2440 and the urgency of these reforms, we ask the House to move S. 2440 prior to the close of the session so this program does not end.

Industry's goal is, and has always been, to achieve reasonable timeframes for APD processing on public lands and reduce undue permitting backlogs. Increasing production on federal lands has long been a priority for the House of Representatives because it creates jobs, increases government revenue and enhances U.S. energy security. S. 2440 is a commonsense proposal that will help achieve those goals. We appreciate your leadership and hard work to increase energy production on federal lands and are pleased with the strong bipartisan support of the bill. We ask that consideration of S. 2440 during the remaining days of the 113th Congress be made a high priority.

Sincerely,



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