



The Honorable Mary Landrieu, Chairman
Energy and Natural Resources Committee
304 Dirksen Senate Office Building
Washington, DC 20510

July 7, 2014

Chairman Landrieu,

We write today, representing thousands of oil and gas explorers, producers, and service and supply companies, to offer our support for S. 2440, the BLM Permit Processing Improvement Act of 2014. This bi-partisan piece of legislation reauthorizes and makes reforms to the successful BLM pilot project, 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 will not only enhance our energy security but provide millions of dollars of much-needed government revenue. To realize these benefits, a robust BLM permitting system is needed and the pilot office program has a proven track record of processing permits more efficiently. Given that the current pilot office program expires in 2015, we express our support for its reauthorization and ask that the Committee on Energy and Natural Resources quickly move S. 2440 in order to keep the program operating.

The pilot project has a proven track record of success in the seven field offices of implementation. At the time of implementation, these existing BLM offices processed nearly seventy percent of the applications for permits to drill (APD) that were received by the BLM. This legislation seeks to reauthorize and expand the program by providing additional flexibility to the Secretary of the Interior to designate new project offices, accounting for shifting industry priorities as new plays open up on federal lands, and allows for the APD fee to remain at the BLM State office, providing BLM even more flexibility to respond to activity levels and responsibilities.

Production of oil and natural gas on federal land is an important part 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. Just last week DOI released a report from their own Inspector General's office citing inefficiencies with BLM permit processing and recommended Congress work on solutions to reauthorize the pilot project and enhance flexibility within the program. S. 2440 helps to achieve those goals. Given

the strong bipartisan support for S. 2440 and action already taken by the House to reauthorize the pilot office program, we hope the Senate will move S. 2440 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 reduces undue permitting backlogs and S.2440 is a commonsense piece of legislation that will help achieve that objective. We appreciate Senators Tom Udall and John Barrasso for their leadership on this issue and are pleased with the strong bi-partisan support of the bill. We ask that consideration of S.2440 in the Energy and Natural Resources Committee be made a high priority.

Sincerely,



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Kathleen Sgamma
Vice President of Government and Public Affairs
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