STATEMENT OF DAVID ALBERSWERTH
ON BEHALF OF
THE WILDERNESS SOCIETY
BEFORE THE
HOUSE RESOURCES COMMITTEE
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES
REGARDING
“DOMESTIC NATURAL GAS SUPPLY AND DEMAND:
THE CONTRIBUTION OF PUBLIC LANDS & THE OCS”

MARCH 15, 2001
Madame Chairman and Members of the Subcommittee, thank you for the opportunity to testify on behalf of The Wilderness Society and its 180,000 members on the important matter of the contribution of public lands to domestic natural gas supplies. My name is David Alberswerth, and I am the Director of The Wilderness Society's Bureau of Land Management Program. Prior to joining The Wilderness Society staff last year I served the Clinton Administration within the Department of the Interior as Special Assistant and Senior Advisor to the Assistant Secretary for Land and Minerals Management, and Deputy Director of the Office of Congressional and Legislative Affairs.

It is The Wilderness Society's hope that in exercising its oversight role regarding this important matter, the subcommittee will seek to be as objective as possible in reviewing the extent of natural gas resources on our public lands, and the environmental values that also reside on those lands that can be placed at risk by natural gas exploration and development activities. For although natural gas extracted from our public lands is an important component of our nation's well-being, the environmental, wildlife, watershed, and wilderness values of those lands are also vitally important to Americans.

Some suggest that these two interests are incompatible, or that we cannot meet our energy needs without sacrificing some of our most precious lands. The Wilderness Society believes that we can meet our energy needs without sacrificing our most treasured national landscapes. In fact, America has a proud tradition of combining a strong economy with strong environmental values, and we urge the subcommittee to be guided by both goals. A review of some pertinent facts, which I will set forth below, demonstrates clearly that this is possible.

One fact of central importance that I wish to draw to the subcommittee's attention is that the vast majority of public lands managed by the Bureau of Land Management (BLM) in the Overthrust Belt states of Colorado, Montana, New Mexico, Utah, and Wyoming are presently open to leasing, exploration and development by the oil and gas industry. In fact, information presented to the Assistant Secretary for Land and Minerals Management by the BLM in 1995 indicated that over ninety-five percent of BLM lands in those states (including "split estate" lands) were available for oil and gas leasing. I have appended to this testimony the BLM's synopsis of the availability of BLM lands in those states for oil and gas leasing, exploration and development (see attachment I). Though there have been some changes in the land status of some of the lands indicated on the attachment since this information was prepared by the BLM in 1995, the data here is still essentially valid. I suggest that it would be in the subcommittee's interest to request an update of this information from the BLM for the subcommittee's consideration at next week's hearing on the same topic.

It is also relevant to any discussion of our public land energy policies to understand that the BLM has been carrying out a robust onshore oil and leasing program for the past decade. For example, the Clinton Administration issued oil and gas leases on more than 26.4 million acres of public lands during the last eight years (see attachment II). According to the BLM publication, *Public Reward from Public Lands*, there are nearly 50,000 producing oil and gas wells on the
public lands (see attachment III). Thousands of new drilling permits have been issued during the past eight years - 3,400 by the BLM in FY 2000 alone (see attachment IV). In fact, production of natural gas from onshore and offshore federal lands has steadily increased from 1981 to the present (see attachment V).

Criticism by some that in recent years too much public land has been made unavailable for oil and gas activities is simply not supported by the facts. Upon close examination, industry criticism of "lack of access" to onshore public lands really falls into two categories: lands that are off-limits entirely to oil and gas development; and lands available for development if the industry takes special care of the environment. The former areas include wilderness areas, wilderness study areas, and/or areas such as steep slopes, karst areas, and areas where other mineral activities are taking place, in other words, places where oil and gas activities could pose extreme environmental or safety hazards, or be incompatible with other values. Currently, such areas comprise roughly 5 percent of BLM-managed lands in the five states.

The latter category often encompasses areas where evidence indicates the presence of sensitive wildlife habitats, such as elk calving areas, or sage grouse leks, where operations at certain times of the year could pose severe threats to wildlife. In such cases, the BLM may require that operations only occur at certain times of the year, when such areas are not in use by certain wildlife species. In some cases, the BLM imposes "No Surface Occupancy" leases, whereby the lessee is required to access the oil and gas resource from off-site. Such "NSO" stipulations are also designed to protect wildlife habitats, while making the resource available for extraction. The types of special imposed to protect environmental values can be summarized as follows:

"Standard Stipulations" — These are provisions within standard BLM oil and gas leases regarding the conduct of operations or conditions of approval given at the permitting stage, such as: prohibitions against surface occupancy within 500 feet of surface water and or riparian areas; on slopes exceeding 25 percent gradient; construction when soil is saturated, or within 1/4 mile of an occupied dwelling. These are generally applied to all BLM oil and gas leases, regardless of special circumstances.

"Seasonal" or other "Special" Stipulations — "Seasonal Stipulations" prohibit mineral exploration and/or development activities for specific periods of time, for example sage grouse strutting areas when being used, hawk nesting areas, or on calving habitat for wild ungulate species. These are often imposed at the request of state wildlife officials, as well as in compliance with U.S. Fish and Wildlife Service requests to protect sensitive species.

"No Surface Occupancy" — NSO leases prohibit operations directly on the surface overlaying a leased federal tract. This is usually done to protect some other resource that may be in conflict with surface oil and gas operations, for example, underground mining operations, archeological sites, caves, steep slopes, campsites, or important wildlife habitat. These leases may be accessed from another location via directional drilling.
The imposition of special, seasonal, or NSO stipulations are an attempt by the BLM to balance the industry’s desire for access to oil and gas deposits, with the BLM’s responsibility to manage other resources on the public lands. Although industry public relations campaigns frequently emphasize the benign nature of contemporary exploration and development technologies, when required by the BLM to utilize these technologies to minimize environmental impacts, the industry is reluctant to do so. However, the purpose of most of these stipulations, about which the industry now appears to complain, is simply to ensure that these advanced technologies are used to minimize environmental impacts of energy production on environmentally sensitive public lands. These stipulations do not reduce our nation’s access to its energy resources.

With respect to the national forests, the national forests currently supply 0.4% of total US oil and gas production, half of which occurs on the Little Missouri Grasslands (Forest Service Roadless Area Conservation FEIS, 2000, pages 3-312 and 3-316). The remaining national forest land account for less than 0.2% of total production in 1999 (Ibid.). The vast majority of roadless areas on the national forests subject to the new Forest Service roadless protection policy have been open to leasing for decades, and there has been little interest in exploiting potential resources, even though the real price of oil in the past was much higher than it is today.

I would like to turn now to estimates of natural gas resources and their relationship to the public lands. A 1999 report published by the National Petroleum Council, Natural Gas: Meeting the Challenges of the Nation’s Growing Natural Gas Demand, indicates that there is a “natural gas resource base” in the lower 48 states of 1,466 trillion cubic feet of gas (TCF) (pp.7-8, Summary Report). (The figure does not include estimated gas resources in Alaska, estimated at Prudhoe Bay to be in the neighborhood of 25 TCF.) The report also estimates that, although current yearly consumption is approximately 22 TCF, that figure will increase to 31 TCF by 2015 (p.5).

In addition, the NPC report estimates that approximately 105 TCF of this estimated gas resource base is entirely off-limits to development, including 29 TCF from federal lands in the Rocky Mountain states, and 76 TCF from OCS areas off the Atlantic coast, the eastern Gulf of Mexico, and the Pacific coast (p.13). If we add to that figure the 9.4 TCF estimated by the Advanced Resources International analysis of the Forest Service’s new roadless policy to be unavailable,1 we have approximately 115 TCF of the 1,466 TCF lower-48 gas resource base off-limits to extraction. The Summary Report also indicates that 108 TCF in the Rocky Mountain states “are available with restrictions.” These lands in fact are available for development under the stipulations outlined above, so should not be counted as unavailable for development.

If we eliminate the 115 TCF from the NPC’s estimated “natural gas resource base” of 1,466 TCF, we are left with 1,351 TCF available for future extraction. At a 31 TCF per year consumption rate, that is enough gas to meet America’s anticipated needs for approximately 40 years. Given this, it is difficult to understand the urgency with which the industry is pressing its case that it needs to invade some of America’s most
beautiful and environmentally sensitive landscapes, or reduce the environmental protection afforded wildlife and other values on the public lands, in order to meet anticipated future demands for natural gas.

In conclusion, if we are careful, we can pursue energy policies that allow and even encourage increased natural gas use, while protecting sensitive public lands and the environmental values that all Americans have a right to have protected. But our policies must also recognize that there are adverse impacts to natural gas development, and valid safety concerns with natural gas distribution issues, that should not be swept under the carpet in a headlong drilling and development frenzy.

1 "...with implementation of the proposed roadless areas, about 9.4 Tcf of gas beyond that determined as no ‘access’ in the 1999 NPC study would be impacted as ‘standard lease terms’ and “access restrictions” resources move into the ‘no access’ category.” Undiscovered Natural Gas and Petroleum Resources Beneath Inventoried Roadless and Special Designated Areas on Forest Service Lands analysis and Results, Advanced Resources International, Inc., November 20, 2000, p. 3.
Attachment I

Availability of Public Lands

The vast majority of public lands are available for leasing. In the states with considerable production of 116.6 million acres only 2.9 million acres are not open for leasing. In Colorado 16.2 million acres are open and 600,000 closed to leasing; in Montana out of 19 million acres 400,000 are closed; in New Mexico of 29.9 million acres of lands only 1.3 million is not open to leasing; in Utah 900,000 acres are closed to leasing leaving 21.2 million acres open; in Wyoming 700,000 acres are closed out of 28.6 million.

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March 14, 2001

The Honorable Sherwood Boehlert
Chairman
Science Committee
United States House of Representatives
Washington, DC 20510

Dear Mr. Chairman:

In testimony before your committee on February 28, Ms. Mary Hutzler of the Energy Information Administration (EIA) reviewed the projections from the Annual Energy Outlook 2001 published in December 2000. The nuclear industry would like to call to your attention assertions in the testimony that do not represent an accurate assessment of the current status of nuclear energy or the future prospects for this emission-free source of electricity.

In its testimony (page six), the EIA projects that production of electricity from natural gas and coal will increase through 2020 to meet growing demand for electricity and to offset the decline in nuclear power due to retirement of existing nuclear power plants. EIA assumes that continued operation of these nuclear plants would not be economical compared to the cost of new generating facilities.

The Nuclear Energy Institute takes great exception to this conclusion as it leads your committee, and the general public, to believe that nuclear power is being phased out in this country because it is not cost-competitive. Nothing could be further from the truth.

U.S. nuclear power plants are well positioned for a competitive electricity market. The cost of operations, maintenance and fuel has been declining for more than a decade. U.S. nuclear power plants are immune to the volatility in fossil fuel prices that has caused the dramatic increase in electricity prices in many parts of the nation. And nuclear power plants are not affected by the escalating clean air compliance requirements that will increase the cost of electricity from coal-fired and gas-fired generating plants in the years ahead.
This explains why five nuclear units have already renewed their operating licenses to run for 20 years beyond their initial 40-year license. Five other units have formally notified the Nuclear Regulatory Commission (NRC) that they intend to renew their licenses, and we expect that nearly all 103 U.S. nuclear units will extend their licenses because operating these plants for an additional 20 years represents the lowest-cost, most reliable source of electricity available from any source.

The steady reduction in the cost of nuclear electricity during the 1990s is partly explained by the significant increase in the plants’ safety and reliability, and in the amount of electricity they produce. In 2000, U.S. nuclear plants produced approximately 755 billion kilowatt-hours (the second record year in a row), and operated at an average capacity factor of 89.6 percent. The increase in output from existing nuclear plants satisfied approximately 30 percent of the increase in electricity demand during the 1990s. Improved economic performance, output and reliability have been accompanied by a similarly dramatic improvement in safety performance, measured by the quantitative performance indicators monitored by the industry and the NRC.

On average, a U.S. nuclear power plant produces electricity for less than 2.5 cents per kilowatt-hour and, in many cases, closer to 2.0 cents per kilowatt-hour. This includes all costs such as fuel, operations, maintenance, ongoing capital requirements, funds set-aside for decommissioning the plant at the end of its useful life, and the one-mill-per-kilowatt-hour fee for used fuel management paid to the federal government. This is the so-called “going forward” cost, which does not include recovery of the original capital investment, but is the sole determinant of whether or not the unit will be dispatched. The 2.0-cent electricity from the average nuclear unit is significantly lower than the cost of electricity from new gas-fired combined cycle power plants. At today’s gas prices ($4-5 per million Btu), NEI’s analysis indicates that a new gas-fired plant will produce electricity for between 4.5 cents and 5.2 cents per kilowatt-hour. Given that gas-fired electricity is twice as costly as nuclear electricity, no rational economic model would shut down a nuclear unit and replace it with gas-fired capacity, as the EIA’s forecasts suggest.

Given the credibility attached to the Energy Information Administration’s forecasts for nuclear energy in the United States, NEI believes it is important that these forecasts be correct, with a sound factual and analytical basis. NEI has analyzed the basis for the agency’s forecasts in order to understand the assumptions and methodology behind them. We completed a detailed assessment of the 1999 edition
of the Annual Energy Outlook, for example, and discovered a number of mistakes, suspect assumptions, and the use of cost and performance data that were several years out of date. Although we have briefed EIA staff on our findings, we suspect that the results in the latest Annual Energy Outlook 2001 reflect similar mistakes in fact and judgment. We believe, at a minimum, that EIA’s forecasting assumptions and methodologies should be subjected to rigorous peer review before publication, given the importance attached by many to EIA’s forecasts.

The nuclear industry also believes that EIA’s assessment of future nuclear power plants does not reflect current business realities. The nuclear industry has an aggressive program underway to define and put in place the business conditions necessary for new nuclear energy facilities. The need for new nuclear power plants is significantly more pressing than many realize, given the current volatility in oil and gas markets, larger-than-forecasted increases in electricity demand, and the cost impact of new clean air requirements already promulgated but not yet fully implemented.

We believe that new nuclear plants can be cost-competitive even sooner if some of the barriers to market penetration are removed. For example, nuclear energy is an emissions avoidance technology. Under current law, technologies that avoid emissions such as hydro and nuclear are selectively excluded from federal and state clean air compliance programs.

In summary, NEI believes that the contribution from nuclear energy to U.S. electricity supply will increase in the years ahead because:

1. Most of the existing nuclear units will continue to operate through the end of their initial 40-year license terms and through 20-year license extension periods.
2. Output from the existing plants will continue to improve in the near-term because of continuing gains in efficiency and reliability.
3. New nuclear power plants will be built starting in the latter half of this decade, with a significant number of new nuclear units in service by 2020.

We believe the EIA’s methodology and assumptions do not take into consideration these positive factors when assuming retirements of nuclear generating facilities and the possibility of new generation. We urge you to take another look at nuclear energy and, to that end, request the opportunity to testify on behalf of the industry.
at a hearing before your Committee at your earliest convenience.

Sincerely,

[Signature]

John Kane

Attachments

cc:  The Honorable Ralph Hall
     The Honorable Roscoe Bartlett
     The Honorable Lynn Woolsey
     The Honorable Vern Ehlers
     The Honorable Joe Barton
     The Honorable Rick Boucher
     Mary Hutzler, EIA
     Bill Magwood, DOE
     Kevin Kolevar, DOE
Good afternoon. I'm James T. Hackett, Chairman, President and CEO of Ocean Energy, Inc.

Ocean Energy is a Houston-based independent oil and gas exploration and production company with a market capitalization of $4.5 billion dollars. Two thirds of its reserves and production are in the United States. It has a large commitment to growing our natural resource base as it spends nearly $1 billion dollars in 2001 on exploration and development, especially deepwater drilling in the Gulf of Mexico. Drilling in these water depths (of up to two miles deep) costs from $20 to $100 million dollars per well.

On behalf of the twenty-two large U.S. independent natural gas and oil exploration and production companies of the Domestic Petroleum Council, thank you for inviting us to be here today to discuss the importance of access to federal government lands if we, as a nation, are to have the future natural gas supplies that will power the new Internet economy and fuel our industry, and keep our homes and businesses warm in the winter and cool in the summer.

The DPC companies are all very concerned about this issue. We produce one-fifth or more of the nation's natural gas. We are responsible for most of the wells that U.S. independents drill. We know as well as anyone the challenge we face in having access to the gas resources we'll need to find and produce in the future.

I'll cite examples of that challenge, and some policy and implementation changes that will help us meet it.
First, let's remember that we are facing a U.S. natural gas demand increase of more than 30% by the year 2010, according to the 1999 natural gas study of the National Petroleum Council that was requested by the U.S. Department of Energy.

The last study of this type was conducted in 1992 and, as is shown here, the growth in demand for this clean-burning fuel was underestimated. It is still early to predict, but it is very possible that once again demand projections are conservative. There are recent indications that natural gas demand could be even stronger than the latest NPC projections.
Of the annual 7 trillion cubic feet (TCF) increase in natural gas demand projected by 2010, almost half will be required for power generation.

Over 90% of projected new electrical generating capacity will be gas fired.

It is estimated that about 85,000 megawatts (MW) of new gas fired generating capacity will come on line in the US this year alone, resulting in increased gross gas usage of almost 650 BCF per year.
The NPC Study concluded that the North American natural gas resource base is sufficient to meet the projected demand for natural gas. However, this ability is very dependent on industry and government positively addressing seven key challenges.

Access topped the list.

Access to multiple-use federal government lands is a critical concern because they hold the relatively under-explored and not-yet-producing gas resources for the future. This is compared with private and state lands that have been more fully explored and developed.

(Other challenges include technology, financing, workforce, the physical infrastructure including rigs, lead times, and the requirements of the new customer base which includes the new Independent Power Producers.

A positive partnership between government and industry is essential in meeting all the NPC-identified challenges to finding and producing the natural gas we'll need to meet the nation's economic and environmental goals.)
Access to the resource base and to rights of way for infrastructure is critical for sustainable supply.

Of the almost 1,500 TCF of lower 48 resource base cited in the NPC study, approximately 47% is owned by the Federal Government. But the resource base under Federal Government lands is far more critical than that percentage might imply. As mentioned previously, that's because state and private lands have been much more fully explored and developed with respect to energy resources. By contrast, the Federal Government lands are relatively under-explored. For example, it is estimated that 90% of the Federal Government lands resource base in the Rockies is unproven and clearly not yet available to consumers. What's more, offshore drilling moratoria have virtually closed activity in the Eastern Gulf, Atlantic and Pacific Coast waters under Federal jurisdiction. It is important to note that technology has advanced to a point that we can assess and develop resources in these areas more efficiently, and with less environmental impact, than ever before.

The map above illustrates the total lower-48 natural gas resource base and the percentages of it that are either completely off-limits or is access-restricted according to the NPC. (This is based on modeling such factors as complete activity prohibition, no-surface-occupancy stipulations, two-year or greater delays and cost increases. Later examples dramatically illustrate these factors.)
As can be seen on this map, a significant portion of the Rocky Mountain area -- including some 75.8 percent of the natural gas resources according to the NPC -- is owned by the Federal Government, and managed either by the BLM or the Forest Service (US Department of Agriculture). It should be noted that the industry is not advocating drilling in National Parks. However, a significant portion of the yellow (BLM) acreage in the states of Wyoming, Colorado, New Mexico and Utah has considerable gas potential. Meaningful cooperation among these entities and industry will be required to access this important area of natural gas supply.

Let me give you some examples of restrictions that we believe can -- and must -- be dealt with.

Last year Bureau of Land Management officials in New Mexico announced new criteria for approval of applications for permits to drill in the San Juan Basin while it conducts a new environmental impact statement in preparation for updating its resource management plan. Had the criteria, including announced moratoria on some applications, been put into effect as announced, critical California gas supply from this mature producing area could have been reduced. Strong protests led to changes in the New Mexico policy while the EIS is done, but with the current APD backlog and pace, it is still uncertain whether there will be enough drilling over the next year or two to meet supply needs.
A prime example of this type of problem is illustrated by the time line chart you see here for BLM land in Southwest Wyoming. With the layering of wildlife protection and other environmental restrictions in parts of the year, you can see that there are only limited periods in which necessary natural gas exploration and production drilling by one of our member companies can occur. As you can also see, some deep wells that take longer than the allowed drilling window either will not be drilled, or must be drilled in inefficient and probably prohibitively expensive phases over more than one year.
Let me pause here for a moment to point out that much of the land we are discussing is like that shown above in Wyoming. With our current technology we can explore and produce gas on these lands with much smaller drilling locations, or "pads", than in year's past. Improved geoscience technology allows us to better target promising geologic formations below ground, so we drill fewer wells. But we still must drill to find and produce gas. Then we reclaim the land to its original condition.

But to move to another example of restrictions, in Southwest Wyoming a permit for an exploratory well was denied last fall despite explicit provisions of an "interim Drilling Policy" that was in effect while a new Environmental Impact Statement was being prepared. Total company costs related to the EIS itself and the delays in permitting that have occurred to date, and could occur in the future may run over $2-million—enough to drill six additional wells and bring them on line.

One final onshore case. In the Monongahela National Forest of West Virginia, inconsistency in the directives provided by Forest Service specialists in the preparation of an Environmental Assessment caused ten revisions over a span of 2 years. Several revision drafts duplicated previous drafts that had been rejected by the Forest Service personnel. Such delays obviously add to costs, but they also delay or prevent gas from flowing to consumers.
Now an important word about the offshore. As the NPC study pointed out, and as we in our industry know, with both of our coasts off limits to exploration and production -- the Gulf of Mexico, including its deep waters, will be crucial in meeting gas demand.

Lease Sale 181 in the Eastern Gulf of Mexico, scheduled for December of this year, provides an outstanding example of what we need to be doing. It alone could make a significant 400 BCF per year contribution to providing natural gas to Florida and the surrounding region to meet increasing electricity generation needs.
This chart illustrates the NPC’s projection of the impact of access restrictions in the eastern Gulf of Mexico. The Reference Case curve (middle line) assumes that Western Norphlet, off the coast of Mobile, Alabama, and MMS Lease sale 181 will be the only areas in the eastern gulf that will produce gas.

Also shown here is the impact if sale 181 did not happen (bottom line). As noted a moment ago, this is a potential 400 BCF per year loss of valued natural gas resource.

However, as the top line indicates, the NPC study anticipates substantial additional gas supplies to feed the country’s growing energy demand if industry is allowed access beyond the Western Norphlet and Sale 181 areas.

Obtained and made public by the Natural Resources Defense Council, March/April 2002
To begin to conclude, as this slide shows, over the past decade production from the wells we have drilled every year has declined more sharply. That's because, with current access restrictions,

1) new field discoveries tend to be smaller in size; and,
2) drilling and completion technological advances have enabled higher flow rates, resulting in shorter reserve lives as we drill and produce smaller fields.

This means that drilling rates will have to increase to meet projected demand.

Again, to accomplish this we must meet the challenges we discussed — including investments in finding and training people for our increasingly technology-oriented industry — and new equipment. But access to the remains the key to the responsible development of natural gas as a precious natural resource.
Since the NPC study was completed in late 1999, the access and regulatory issues I have been discussing have not been addressed. In fact, access has become more and more problematic in recent years.

One result of our current situation has been a tight natural gas market in which such factors as a cold winter and unexpected strong demand in the electric generation sector can cause the price history shown here by the red, or dark, line.

The good news for the future is shown by the lighter, or yellow line to the right -- the futures market beginning to respond by predicting lower prices, though still strong by comparison with most of the past decade or so. That's in part because of the extraordinary efforts our industry is making to meet consumer demand.
As discussed on the previous slide, producers are responding to market signals.

Today, with tight supply and rising demand, producers are individually responding by working to bring more natural gas to the market. One economic indicator is the Rotary Rig Count. Natural gas drilling rigs have increased by 143% since April 1999, when prices were at their lowest.

Equally important, almost 80% of the rigs being used today are looking for natural gas, up from 75% in April 1999.
Policy Recommendations

- Administration

  - Energy Policy Directive to All Departments and Agencies

  - Prompt Permitting Review and Benchmarking Program

We have recommended to the Administration that several steps be taken to seek better coordination of energy permitting. Included among them are:

- a directive that all resource agency policy and implementation decisions take energy implications into account; and,

- a quick benchmark survey of permitting by every state, area and Forest group within the Bureau of Land Management and the U.S. Forest Service to identify where things are being done well – and efficiently – and where improvements need to be made. (This would also help identify areas and offices in need of more resources, and would be a valuable budget tool.)

Then a quick program should be started to bring all parts of these agencies to the higher performance level.

Perhaps your Subcommittee and the Congress as a whole can help in these areas through legislation or oversight.
Policy Recommendations

- Congress
  - Consider Streamlined Process for Eliminating or Easing Access Restrictions

In addition, we support the ongoing congressionally mandated inventory of energy resources on federal government lands, but it should be expedited.

Even more important, Congress and the Administration should use the time during which the inventory is being undertaken to consider whether there should be a simplified process to allow states and their congressional delegations to seek removal of access restrictions where there is little or no benefit at the cost of energy supplies, and to improve permitting processes and coordination where problems are identified.

We look forward to continuing to working with you especially on this crucial element of a comprehensive and consistent national energy policy.

I appreciate the opportunity to be with you to discuss such important energy issues, and I would be glad to answer any questions you may have.