Follow-up Questions and Answers for Secretary Norton  
From the June 6, 2001 Hearing before  
the House Resources Committee  
on the National Energy Policy

(HANSEN) Energy and Minerals

Question 1a: Does the Interior Department have an estimate as to how much oil and gas production is presently not accessible due to restricted land management uses or designation such as wilderness study areas, national monuments?

Answer: General information is available for National Monuments and Wilderness Study Areas regarding oil and gas potential. The probability of oil and gas development within these sites is generally low based upon preliminary geologic data, Bureau of Land Management (BLM) planning and known industry records (including proprietary data). One notable exception to this is Canyons of the Ancients National Monument in Colorado which is currently 85% leased for oil and gas and is subject to valid existing rights and further leasing in particular circumstances, as provided by Proclamation. In other areas, there is limited overlap of industry identified oil and gas reserves with National Monuments and Wilderness Study Areas. However, the volume of the reserves is not proven at this time and BLM is working closely with the USGS to obtain more detailed information about the potential for undiscovered oil and gas reserves within these areas.

Question 1b: How have permitting delays for drilling and construction of transportation facilities, such as pipelines and transmission lines across public land impacted our ability to develop energy resources on public lands?

Answer: Permitting delays result in slowing the efforts to bring on-line energy development in a timely manner.

The BLM is responding to this concern regarding our national need for increased energy and mineral production from our federal lands in an environmentally responsible manner through several initiatives. One key element is the study required in Section 604 of the Energy and Policy Conservation Act (EPCA) of 2000. The EPCA study will identify and inventory impediments and restrictions to oil and gas resources. We will also study ways to ensure that the permitting of drilling and construction of transportation facilities and other right-of-ways for oil and gas are made available in a timely and expedited manner as allowed by budgetary resources.

Question 2: Do you believe that you as Secretary of Interior have the authority to acquire...
seismic data in areas which are designated off-limits to oil development through annual appropriations riders or an executive order?

Answer: In moratoria language appearing in the FY 1992 House Report, accompanying the FY 1992 Interior Appropriations, restrictions on preleasing activities did not preclude environmental, geologic, geophysical, economic, engineering, or other scientific analyses, studies, or evaluations. These studies are not considered a part of the EIS or the formal sale process. While the current moratoria language is silent on these interpretations, this language has not been revised or reinterpreted in subsequent appropriation bills.

Question 3: In light of highly publicized natural gas shortages and high market prices, what specific actions does Interior plan to take to speed up the permitting process, particularly in areas where excess pipeline capacity is available to carry natural gas into gas-short areas like California or the Midwest?

Answer: Permitting for energy-related projects is often a lengthy multi-agency process. The President has issued an executive order directing Federal agencies to expedite the review of permits and other federal actions necessary to accelerate the completion of energy-related project approvals on a national basis. The Department of the Interior is well on its way to developing our energy implementation plan. Specific actions to expedite permitting will be contained in that plan. The BLM is addressing permitting through several initiatives, including revising key land use plans for current development scenarios; streamlining the processes for timely approvals for oil and gas development such as ESA Section 7 consultation with Fish and Wildlife Service, National Marine Fisheries Service, and cultural resources clearances; and improving coordination among affected parties by the use of information meetings and forums such as the National Petroleum Forum and Federal Leadership Forum. In addition to permitting, the Bureau must also address the monitoring and compliance of existing and new operations. Finally, pipeline carrying capacity is not a responsibility of the Department of the Interior, but we will work with FERC to expedite Right-Of-Way approval to facilitate this process.

Question 4: Does BLM have any national guidelines on how regional managers should handle prospective energy resource lands in the area planning process or is that left to the individual’s discretion? Is it time to re-examine these guidelines in light of energy shortages?

Answer: The BLM does have existing national Supplemental Program Guidance for oil and gas leasing and planning. This guidance is in the process of being reviewed in light of the National Energy Policy.

Question 5: What is the current status of the implementation of the Energy Policy and

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Conservation Act, Sec. 604 study on impediments to oil and gas exploration and development? How will the Department use the study in increasing access to oil and gas resources?

Answer: Since the reauthorization of the Energy Policy and Conservation Act (EPCA) (P.L.106-469) on November 9, 2000, the Department of the Interior is proceeding expeditiously in its efforts to complete the assessment of restrictions and impediments to oil and natural gas development underlying federal land. To expedite the process, the Secretary designated the BLM as the lead agency to coordinate the assessment. Working cooperatively as an inter-agency team, the BLM, USGS, USFS, and DOE completed identifying current studies and ongoing efforts, establishing agency’s responsibilities and identifying the overall approach to the analysis. Currently, the study is focusing on five priority areas within the Rocky Mountain Region based on industry interest, resource potential, reserve ranking and an oil and gas needs analysis. The analysis for these basins is expected to be provided to the House and Senate energy and resource committees within the required two-year time frame.

As the information from the assessment is received, the BLM and USFS will review the findings, assess the restrictions’ and impediments’ effects on the availability of oil and gas resources for future development, and consider modifications, as necessary, to increase access to oil and natural gas resources.

Question 6: Can you give us an idea regarding the budget requirements for the Department to conduct this work? What level of detail will this assessment take if new funds are not sought in the current fiscal year? Will a reprogramming request be sent to the appropriators to get this job funded?

Answer: Implementation of Section 604 of the Energy Policy and Conservation Act Amendments of 2000 affects Interior’s Bureau of Land Management and the US Geological Survey, as well as the US Forest Service and the Department of Energy. Section 604 requires these agencies to identify and evaluate the extent of oil and gas resources and reserves on public lands, and evaluate impediments and restrictions to access and development of these resources. These evaluations are to be completed by the end of 2002.

In the 2002 President’s Budget, $3.0 million is requested in the BLM budget for the work of all four agencies. Since oil and gas assessments are performed by geological basin, and since it would not be possible to perform these analyses on all basins in the US
within the time provided, the agencies are in the process of discussing the basins of greatest interest with the authorizing committees. Currently, the four agencies will be able to fulfill the requirements of EPCA by the end of 2002 for five study areas in the Rocky Mountains with the largest estimates of oil and gas resources and significant Federal land ownership. These study areas include Montana Thrust Belt in Montana, the San Juan and Paradox Basins in Colorado and New Mexico, the Unita/Piceance Basin in Colorado and Utah, the Greater Green River Basin in Wyoming and Colorado, and the Powder River Basin in Wyoming and Montana.

Because the requested funding is sufficient to complete work in these five basins, the Department does not anticipate that a reprogramming request will be necessary to meet the requirements of the provision by the end of 2002.

Question 7: BLM is implementing a major planning effort that concentrates on updating and completing land use management and activity plans. Has BLM set energy resource areas as their highest priority?

Answer: The BLM fully supports the goals and measures outlined in the President’s Energy Policy and is taking the necessary measures to achieve them. This includes adjusting the priority and schedules of land use planning activities. Management of energy resources was a key factor used to identify planning projects included in the FY 2001 and 2002 President’s budget requests. The BLM has recently undertaken efforts to expeditiously identify and complete high-priority energy related plans. The BLM currently is in the process of identifying 5 - 10 time-sensitive plans where we will take appropriate measures to ensure their timely completion. These measures will include, as needed, the use of policy and technical support teams, additional training, enhanced contracting procedures, and the re-allocation of funding.

Question 8: Will BLM be exploring new approaches to the planning process to assure that management plans not only remain current but also address the energy potential of each resource area?

Answer: In November 2000, the BLM issued a revised land use planning manual and handbook to more clearly outline planning and decision making requirements, including those for mineral and energy development. This manual and handbook includes specific guidance on updating land use plans to ensure they address energy and mineral development. This guidance also includes direction for addressing new information and circumstances to ensure that land use plans
remain current. This guidance identifies factors to consider when making a
determination of whether plan revisions or amendments are necessary, such as the
identification of new information or changes in anticipated impacts. We are
currently revising our Planning for Fluid Mineral Leasing Handbook to ensure it
provides up-to-date guidance for energy development, including procedures to
address energy potential for each resource area. We plan on expanding this
handbook to address other energy sources as well. This handbook will also
provide guidance for addressing information generated through the assessment of
oil and gas resources which is being conducted under provisions of the Energy

The BLM is currently exploring opportunities to modify the land use planning
regulations so that they more closely align with the Council for Environmental
Quality's regulations for implementing the National Environmental Policy Act.
These modifications will reduce some of the confusion that exists between the
procedural requirements for land use planning and the procedural requirements for
completing environmental analyses. The anticipated changes will also allow land
use plans to be completed in less time.

Question 9: Are any bottlenecks in the oil and gas leasing and permitting process caused
by conflicting requirements in different laws? If so, what legislation is
required to resolve these conflicts?

Answer: As part of the President's National Energy Policy, we will be examining whether
there are any such bottlenecks and how best to resolve them.

Question 10: In many offices the BLM has significant Application for a Permit to Drill
backlogs, even though states are also involved in issuing drilling permits on
state and private land in the same areas. Would it be feasible for BLM to
contract some of the APD backlog to the appropriate state agency or rely on
outside parties to conduct much of the work?

Answer: Most Application for a Permit to Drill (APD) backlogs are due to NEPA and
planning requirements. Most of the large-scale EISs are already contracted out to
private contractors. Decision making on individual APD approvals is a Federal
function which is not susceptible to contracting out. However, BLM is
considering possible additional uses of contractors for the analytical processes
involved prior to decision making.

Question 11: The National Resources Defense Council said in a report to this Committee
that it is not necessary to drill in offshore Alaska, the eastern Gulf of Mexico,
and other OCS areas where drilling moratoria are in place because 70
percent of the country's estimated undiscovered, economically recoverable oil
and gas is located outside of these areas. Can you respond to this statement?

Answer: It is true that the estimated undiscovered economic resources of the moratoria areas represent less than a third of the estimate for the total OCS. The current reserves and resource estimates are concentrated in the Central and Western Gulf. Large portions of these areas are mature and natural gas production on the shelf has been in decline since 1997. Resources in moratoria areas could have a significant effect on the Nation's energy future. Since these areas are comparatively under-explored, less certainty exists about the resource estimates. There is also relatively greater up-side potential since the comparative lack of exploration in these areas also means that the larger fields in the field size distributions remain undiscovered. It is these larger fields that normally produce resources more efficiently with less environmental impact since less infrastructure is required to produce a given resource level than from more numerous but smaller fields.

Question 12: In the Powder River Basin there has been a de facto moratorium on federal gas drilling because of the threat of a lawsuit over the inadequacy of the current land use plan to contemplate CBM development of this magnitude. What is being done to resolve this impasse in a timely fashion?

Answer: An environmental assessment for approving up to 2,500 CBM drainage protection wells was completed in March of this year and Wyoming BLM is actively approving CBM wells in its portion of the Powder River Basin (PRB). In addition, a new EIS for permitting CBM wells in the Wyoming PRB is scheduled for completion in mid-2002. This document will allow for the permitting of up to 50,000 CBM wells. In Montana, BLM is doing a joint EIS with the State of Montana for CBM wells in its portion of the Basin. The Montana EIS is scheduled for completion in late 2002.

Question 13: The Wyoming Oil and Gas Conservation Commission continues to approve coal bed methane drilling permits in the Powder River Basin. During the last 12 months they have approved about 6400 permits, which included about 1500 on federal lands. This seems to be a duplication of efforts. Is it necessary for BLM to also approve drilling permits?

Answer: Under current law, BLM has the responsibility to coordinate and manage all resources on Federal lands and to comply with a number of other environmental laws (such as the National Historic Preservation Act, Endangered Species Act, FLPMA, NEPA, etc.). These are not requirements in the State of Wyoming. Consequently, the State permitting process is vastly different.

Question 14: The imbalance in drilling permit approvals indicates that federal gas resources are being drained by non federal wells. BLM has received about

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$3.5 million in supplemental appropriations during the last three years for coal bed methane in the Powder River Basin. What is the current backlog in the approval of CBM drilling permits and when will the backlog be eliminated?

Answer: The current backlog for CBM drainage permits is 1,400 wells. Since the drainage Environmental Assessment was completed in March 2001, Wyoming BLM has approved approximately 550 CBM drainage wells. The remaining backlog should be processed by end of year. Additionally, there are approximately 1,600 non-drainage CBM permits pending. These will not be processed until the 50,000 well EIS is completed in 2002 at which time thousands of additional drilling permit submissions are anticipated. Ultimately, the Wyoming Office plans to permit more than 2,500 CBM wells a year once the environmental documents are completed and additional staff are hired.

Question 15: This Committee has heard complaints about EIS delays in Wyoming’s Jack Morrow Hills Resource Area and at the Vernal District Office in northeastern Utah? What is the cause of these delays and when may we expect this process to be completed?

Answer: The Jack Morrow Hills Coordinated Activity Plan is in the process of being revised by the BLM in Wyoming. The BLM has received approximately 12,000 public comments on the plan. Since we must still analyze all the comments, we cannot provide a completion date at this time. In northeastern Utah, the Vernal Field Office is preparing an EIS for conventional gas well drilling. The project was first analyzed in an Environmental Assessment (EA) but due to public input, an EIS was initiated. The BLM plans to complete the EIS in the summer of 2001.

ANWR

Question 16: In your testimony, you say the mean estimate of recoverable oil under the coastal plain of ANWR is 10.4 billion barrels. Environmentalists say the Geological Survey’s most “optimistic” estimate is only 3.5 billion barrels or less. There seems to be a difference of opinion. Can you clarify the Geological Survey’s estimate of oil? What is estimate of “in-place” oil resources under the coastal plain, including Native and State lands?

Answer: The USGS Petroleum Assessment of the 1002 Area of the Arctic National Wildlife Refuge is reported in three categories: in-place, technically recoverable, and economically recoverable resources. For each category, they report a range of values from lowest and most conservative (at the 95% confidence level) to highest, but unlikely (at the 5% confidence level). Also, they report the mean, or the expected value.

Also, the USGS estimates are reported geographically for the 1002 Area alone (both deformed and undeformed areas), and the entire assessment area, which includes the 1002 Area, the State waters, and the Native lands. This assessment

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### IN-PLACE RESOURCES

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*No estimates of economically recoverable, non-associated natural gas resources were made. Associated gas resources are produced as a by-product of oil production.*

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Question 17: The industry on Alaska’s North Slope has increased its success rate in recovering oil the last 20 years. Is it possible that the estimated amount of recoverable oil in ANWR could increase, too, if further technological advances are made?

Answer: The technically recoverable resource volumes reported in the USGS Petroleum assessment of the 1002 Area of ANWR were estimated by applying recovery rates, that are typical for current North Slope fields, to in-place resource estimates. Therefore, it would be reasonable to say that technically recoverable resource estimates might increase if recovery rates increased, if all other information remained the same.

Question 18: Have the caribou arrived in the coastal plain of ANWR this year? What time did they arrive last year?

Answer: Not as of June 15. This year an unusually late spring, coupled with exceptionally deep snow persisting along the spring migration route in Canada, has delayed the Porcupine herd from reaching the coastal plain of the Arctic National Wildlife Refuge. Since the herd calves in early June, we assume they calved on the north slope of the Yukon Territory and upland migration routes east of Old Crow Flats. This is very similar to the pattern observed in 2000, also a late-spring deep-snow year.

Under a similar pattern in 2000, initial birth rate was lower than average (71% v 80%), and survival of calves to 1 July was also lower than average (63% vs 88%). Data for 2001 are not yet available. Given the late spring, this summer’s census will be particularly important. An inter-agency team will attempt to conduct a herd census beginning around 25 June.

Last summer, caribou of the Porcupine herd began arriving on the refuge coastal plain around 15 June 2000 after calving primarily in Canada. Major movements from the calving grounds in Canada arrived during the period of 20 -25 June 2000.

Question 19: What has been the effect of oil development on wildlife in and near Prudhoe Bay? Has the oil development caused any wildlife to become endangered or caused species to be listed due to development?

Answer: The potential impacts of oil field development on wildlife near Prudhoe Bay and across the Arctic Coastal Plain of Alaska can be broadly classified to include: loss of habitat due to gravel fill; avoidance or displacement from preferred habitats; disturbance; changes in hydrology and vegetation near infrastructure; distribution and abundance of predators and scavengers; contaminants; and the chance of a significant onshore or offshore oil spill. Knowledge of the potential effects of oil development...
development on wildlife in the Prudhoe Bay area is constrained by the lack of quantitative pre-development data, particularly for migratory waterbirds (e.g., waterfowl, shorebirds), predators (e.g., foxes, brown bears), and scavengers (e.g., gulls). In 1999, oil production facilities extended approximately 128 km across the Arctic Coastal Plain (Alpine to Badami) with more than 579 km of roads, 28.3 km² of land developed for drill pads and processing facilities, 1,807 km of pipelines and 15 gravel mines totaling approximately 6.5 km². The direct loss of wetland habitats as the result of gravel fill and indirect impacts (e.g., disturbance, avoidance, potential changes in hydrology and vegetation) of oil development on the distribution, breeding density and productivity of migratory birds are unknown. Although many species of migratory birds occur, nest and raise broods in or near oil field infrastructure, some species have been shown to avoid infield facilities.

Although adequate data have not been collected, arctic foxes near Prudhoe Bay may produce more young and live longer due to the availability of a supplemental food source (garbage) and den sites (buildings, equipment). The potential impacts of increased numbers and survival of arctic foxes on ground nesting birds, including threatened species, are unknown. Similarly, the occurrence, density and productivity of brown bears and gulls have likely increased as the result of the Prudhoe Bay landfill. Ravens did not occur in the Prudhoe Bay area until the development of infrastructure which provided nesting structures and anthropogenic food sources.

Relative to caribou, the Central Arctic herd has two distinct calving areas. From 1980-87, the western-most portion of the herd that calved near Prudhoe Bay shifted its location of concentrated calving away from oil field infrastructure. Since 1987, the concentrated calving has remained south and outside of the oil field in an area of poorer quality forage. Yet despite this shift, from 1978 to 2000, the Central Arctic herd increased from 5,000 to its current population of about 27,000 individuals.

The two threatened migratory birds which occur in the Prudhoe Bay area during summer are spectacled eiders and the Alaska breeding population of Steller's eiders. Causes of the declines of both species are not well understood but factors include lead shot poisoning; increased predation by ravens, large gulls and foxes on breeding grounds in areas where predators may be enhanced by year-round food and shelter due to human activities; and degradation of winter habitat. The development of the Prudhoe Bay area, in itself, has not resulted in any species becoming endangered or being listed under the Endangered Species Act.

**Question 20:** You’ve been to the North Slope of Alaska. How would you compare the environmental track record of oil development there with that of similar industrial development in other areas you’ve toured?
Answer: Yes, I have visited the North Slope of Alaska. I find the environmental record of the industry in Alaska, under state and Federal regulation and supervision, to be good. In addition, I believe all efforts are being made to improve the oil industry’s environmental record. My experience in other states is similar to what I saw in the North Slope in that the industry continues to refine environmentally sound ways to produce.

Question 21: How much federal land in Alaska has Congress set aside in Wildlife Refuges, Parks, Monuments, Wilderness Areas, and Wild and Scenic Rivers? Was the coastal plain of ANWR ever designated a wilderness area?

Answer: 76,990,612.22 acres in Alaska are set aside in Wildlife Refuges of which 18,684,941.6 acres are Wilderness. There are 51,218,616.95 acres of National Park Service Land in Alaska of which _______ acres are Wilderness and _______ acres are Monuments. The Bureau of Land Management has 609,280 acres (952 miles on 6 rivers) of Wild and Scenic River Land and 784,238 acres of Wilderness Study Areas in Alaska. The coastal plain of the Alaska National Wildlife Refuge has never been designated as a wilderness area.

Water and Power

Question 22: In 1996, Former Secretary Babbitt signed a Record of Decision regarding the operations of Glen Canyon Dam that reduced the peaking power capacity of the dam by one third. Obviously this has had significant impact on municipalities across the west. What are the Administration’s plans to evaluate and improve this situation? What suggestions do you have as to what action could be taken to increase the power capacity of Glen Canyon Dam?

Answer: The 1996 Record of Decision (ROD) on the Operation of Glen Canyon Dam EIS placed restrictions on the power plant releases from the dam, but also put in place an Adaptive Management Program to monitor the effects of these restrictions. Annual monitoring and research activities are currently being conducted to evaluate the effectiveness of the ROD in meeting the intent of the EIS preferred alternative and the Grand Canyon Protection Act of 1992. Results from this long term effort will address whether the constraints are achieving the desired effect. Recommendations to the Secretary from this Adaptive Management Program could lead to changes.

Increasing the power capacity of the dam depends not only on these constraints, but also on the availability of water for release for generating electricity. Release volumes are bound by treaty, compact and statute, and we have no authority to release water in excess of these requirements. Drought conditions in the Southwest

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thus constrains our ability to meet municipalities' electrical demand from hydropower facilities.

The ROD contains a provision for deviation from EIS constraints under emergency conditions, and this provision has been used 7 times in the last year to temporarily increase on-peak releases to assist power users. However, there are no provisions for deviation from the ROD constraints for financial reasons. Since there can be no increase in annual water deliveries from the dam, any additional releases for emergency purposes must be offset by lower releases later in the water year. Therefore, permanent increases in generating capacity could only occur by relaxing the daily fluctuation constraints of the EIS, a proposal which would be expected to have adverse impacts to most of the downstream resources in the Grand Canyon.

Question 23: What role will Departmental agencies take in regards to mandatory conditions for FERC relicensing?

Answer: Interior bureaus are responsible for establishing hydropower license conditions as they relate to the protection and adequate utilization of Indian and public lands, and as they relate to fishways. Interior has committed to developing preliminary conditions within 60 days after FERC determines that the license application is ready for analysis, and final conditions within 60 days of the close of the draft NEPA comment period. We are looking for other ways to streamline the process and will be examining whether or not an appeals process would be appropriate. We will also be re-examining our definition of "fish" and "fishway."

Question 24: As you know, hydropower is one of the cleanest sources of energy available, yet like all other forms of energy production, dams require a source of fuel—water. With much of the west in drought conditions, what is the Department doing to assure maximum power production, within the limits of water availability and water service contracts, throughout the 17 western Reclamation states?

Answer: Through the 1980's and 1990's, Reclamation has had an aggressive program to update and uprate existing units. Reclamation presently has programs underway to increase capacity and energy at many facilities including new runners at Grand Coulee (400 MW) and Shasta (51 MW) and uprating Davis (11 MW). In addition, Reclamation continues to implement life extension programs to revitalize performance and to reduce/eliminate expensive failures.

Reclamation has been changing pumping operations to provide additional power during peak hours. As an example, Grand Coulee pumping for irrigation of the Columbia Basin Project has been shifted as much as possible to non-peak hours. This can remove up to 300 megawatts from the peak hours and add up to 600
megawatts of load to non-peak. The off-peak pumping also reduces spill on other Columbia River hydro plants by increasing off-peak loads during high water release periods when water might otherwise bypass the generating units.

In operations, Reclamation is working with BPA on powerplant optimization and other operational improvements which would improve powerplant operations. As an example, at Hungry Horse, Reclamation is reviewing different unit configurations for power generation to maintain the minimum water releases this year and increase power generation.

Region powerplants have coordinated closely with the PMAs on a daily basis and regular scheduled weekly conference calls to ensure that units are scheduled out at the most opportune time. This has resulted in frequent changes to outage schedules and occasionally expedited return to service should system emergencies arise. Many units such as those at Grand Coulee units are also used for reserves (both standby and spinning) in addition to generation requirements.

Conservation efforts Reclamation is making include signed agreements with BPA for energy conservation audits at Reclamation Power facilities. Presently, the Hungry Horse audits have been completed. The recommend retrofits in lighting, HVAC, and other systems will save energy that will be available for BPA to market.

In the Upper Colorado Region, the project operators for pumping plants are the water districts. The water districts have entered into power contracts with the Western Area Power Administration (Western) and Reclamation. A requirement in the power contract is to have an energy conservation plan. This plan includes such items as using energy efficient equipment and operating at times to best use the water and power.

Question 25: What is the Administration’s position regarding the Path 15 transmission issue in Northern California?

Answer: The Department and the BLM support designation of the Western Area Power Administration (WAPA, a Department of Energy agency) as the lead Federal agency for this issue. It is not known at this time whether public lands will be involved in the proposed upgrade/expansion of the Path 15 transmission line. In March 2001, WAPA hosted a meeting in Sacramento, California of Federal and State agencies and other organizations that would be involved in the permitting of the upgrading of Path 15. Various discussions of how to streamline and coordinate the Federal National Environmental Protection Act and the State California Environmental Quality Act reviews that would be required were raised at that meeting, and the goal of producing a joint Environmental Impact

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Answer: At present the Department has no completely new water resource projects under consideration that would provide new power generation. The Department has however been studying modifications to existing projects that would substantially increase power output of existing facilities or increase the power that could be provided during peak load periods. One of the most promising opportunities is our program to evaluate the replacement of aging water turbine runners of existing units to substantially increase energy output with no additional water through the units. We are beginning to develop criteria to evaluate the best opportunities. Once identified, further evaluation of these opportunities will be conducted as funding permits.

Studies that are presently underway include the following:

1) Hungry Horse units have already been uprated with the intention of installing a small re-regulating reservoir 3 miles below Hungry Horse Dam. The downstream flows could be improved (fluctuations decreased) for fishery and environmental quality purposes. As a result of the new Biological Opinion for Bull Trout Reclamation has been requested to reexamine the addition of a re-regulation reservoir below Hungry Horse Dam.

2) Looking at increasing capacity at Folsom Powerplant.

3) Reclamation is working with BPA to rebuild the 2.5 MW Boise Diversion Dam Powerplant, which is presently mothballed.

4) Increasing the water storage at Keswick reservoir by the addition of flashboards to the existing gates and looking at doing environmental cleanup upstream of the reservoir to allow greater reservoir operating flexibility. This will substantially increase peaking from Shasta powerplant.

5) Looking at an additional 10MW generation at Black Canyon.

6) Looking at increasing capacity at Keswick Powerplant.
7) Looking at increasing output at Shasta with the proposed raising of the dam.

8) Negotiating the replacement of the aging 0.3 MW Lewiston Powerplant with a 1.5 MW facility.

Other programs are underway to evaluate the economic viability of rewinding and upgrading of older generating units to increase the energy and power output of existing units.

**Forest and Forest Health**

**Question 27:** Significant energy resources may be “locked up” by the Forest Service’s Roadless Rule and transportation policy. Since, the subsurface resources in these areas are actually managed by the BLM, will Interior work with the Forest Service to identify these resources and modify the rule so that they remain open for development? Can you suggest any actions that Congress should take to resolve this problem?

**Answer:**

a) The BLM, in cooperation with the USGS, the Department of Energy, and the Forest Service is conducting the EPCA study to more clearly identify these resources and the impediments to accessing them. We also understand that the Forest Service is currently conducting a review of the Roadless Rule.

b) We do not have any suggestions for Congressional action at this time.

**Question 28:** The federal lands currently contain millions of acres of forest lands at high risk of catastrophic fire, due largely to many decades of successful fire suppression. The National Fire Plan has set objectives for both the National Forests and the Department of the Interior to reduce the fire risk where it is greatest. With millions of acres needing treatment each year, would you support a policy encouraging the use of woody material, such as a small tree thinnings and brush, for biomass energy production?

**Answer:**

Yes. Utilization of biomass for energy production is consistent with a National Energy Policy objective to increase America’s use of renewable and alternative energy sources. Biomass utilization is also consistent with the goals and objectives of the National Fire Plan to reduce accumulations of woody material that create a fire hazard, threatening communities and forests and rangelands. Markets for small woody material are currently limited but there are opportunities to utilize these byproducts of resource restoration treatments for heat, steam, electric energy generation, and transportation fuels. Firewood, wood-stove pellets and hog fuel; cofiring and biogasification; and small modular power systems and transportation fuels are examples of existing or emerging technologies.
Question 29: How many acres of such lands are estimated to need treatment on Interior lands, by agency, under the National Fire Plan? Could you describe your plans for accomplishing the fire plan goals?

Answer: For Fiscal Year 2001, it is estimated that 1,383 million acres managed by the Department of the Interior are at high risk from catastrophic fire and need to be treated. Plans for accomplishing this goal include treating an estimated 123,000 acres by mechanical means such as thinning, 1,040,000 acres by prescribed burning, 87,000 acres by combination of mechanical and prescribed treatments and roughly 233,000 acres by a combination of multiple treatments. We plan to treat an estimated 296,000 acres of land administered by the National Park Service, 495,000 acres of land administered by the Fish and Wildlife Service, 172,000 acres administered by the Bureau of Indian Affairs, and 420,000 acres administered by the Bureau of Land Management.

The Department of the Interior may not achieve the estimated treatment acreage with prescribed fire due to regional drought conditions resulting in restrictions on use of prescribed fire in the Southeast, Pacific Northwest, and Northern Rockies. A severe fire season may also hamper fuels treatment efforts as many of the personnel involved in fire suppression are also responsible for project planning and implementation.

Tribal Energy Issues

Question 30: How does the Presidents Energy Policy ensure that Tribal lands will be included in any new interstate or national grid plans?

Answer: This is a matter that would need to be dealt with by the Federal Energy Regulatory Commission.

Question 31: Will the Administration provide tax incentives for development and production of Tribal oil, coal, natural gas to enable tribes to be competitive with other domestic and foreign product?

Answer: There are no current proposals to do so.

Question 32: Will the Administration support double tax credit for the development of renewable resources on Tribal lands?

Answer: The Department will work with the Administration in formulating a policy following consultation with Tribes and other Federal Agencies involved.
Question 33: Will the Administration support granting FERC regulating authority to establish national interconnection requirements?

Answer: The Department recognizes that interconnection is a problem, particularly for small utilities, including those on Tribal lands. The Department welcomes proposals offering an appropriate set of national standards.

Question 34: Does the Administration have provisions to affirmatively clarify the authority of Tribal governments to control the siting and regulation of generation, transmission facilities and rate-making authority on Tribal lands?

Answer: The decision to develop energy resources on Indian lands is entirely at the discretion of the Indian mineral owner(s) and, as noted, any actions by the Federal Government that could affect those resources must be accomplished through consultation.

CZMA

Question 35: Section 307(b)(3)(B) of the Coastal Zone Management Act gives the Secretary of Commerce the authority to determine what data states may request to review in addition to the information provided under the plans required by the OCSLA. Since the Secretary of Interior has the expertise to determine if any additional data is needed, or if states are merely engaging in dilatory tactics, would the Administration support giving the Section 307(b)(3)(B) authority to the Secretary of the Interior?

Answer: The correct citation is 307(c)(3)(B). Under the Administration's National Energy Policy Report, the Departments of the Interior and Commerce are tasked with re-examining the current federal legal and policy regime to determine whether changes associated with OCS activities are needed. The procedures for determining what additional information states may request for their consistency reviews should be part of that review. The Administration will support a process that ensures States have adequate relevant information for their consistency reviews while providing operators with a predictable and reasonable decision making process for their proposed activities. Through the joint review, we will be able to identify any legal/policy areas requiring modification and will develop possible solutions to implement any identified changes.
(DEMOCRATIC QUESTIONS)

Question 36: According to the Denver Post, on March 15, President Bush was quoted as saying that there was room in some national monuments for drilling rigs. He said, according to the Post, that the Bush Administration will look at “all public lands” for new sources of energy. Do you support oil and gas drilling in National Monuments?

Answer: For the most part, potential for O&G development in National Monuments is low. However, if the required EPCA study should identify an area in a National Monument that restricts O&G development with a higher potential, we would carefully assess these findings. It should be noted that some monuments are already assessable for oil and gas development.

Question 37: In that same Denver Post article, President Bush is also quoted as saying that concerning whether or not to allow energy development in national monuments, “It all depends upon the cost-benefit ratio.” Is that the criteria you will use to determine energy development in national monuments?

Answer: Careful evaluation of the relationship between the oil and gas potential and resources being protected would occur on a site specific, case-by-case basis. It should be noted that some monuments are already accessible for oil and gas development.

Question 38: You have stated your intention to open some of the new National Monuments (those created by President Clinton) to energy exploration and development—apparently by adjusting the boundaries. Will you attempt to make such changes administratively or will you seek legislation to accomplish this?

Answer: I have not indicated an intention to open Monuments to energy exploration and development. On March 28, 2001, letters were sent to elected officials requesting their (and their constituents’) ideas about Monuments. Responses to those letters will be collected and analyzed and determinations will be made as to changes that should be made.

Question 39: According to press reports, you have sent invitations to certain elected officials seeking their ideas on National Monument boundary adjustments, existing uses that should be
accommodated, vehicle use, rights-of-way, grazing, water rights, and "other traditional multiple uses ..." What process do you intend to use in making decisions regarding oil and gas development and these other "uses in our national monuments?"

Answer: On March 28, 2001, letters were sent to elected officials requesting their (and their constituents') ideas into how they would like to see their National Monuments managed and for what uses. Responses to those letters will be collected and analyzed and determinations will be made as to changes that are recommended. In general, changes to the National Monument proclamations would require legislation. All other land use issues will be addressed in the Land Use Plans being prepared for each area.

Question 40: Is it your intention that the BLM land use planning process be used to consider changes in National Monument boundaries, proposals for energy development, mining proposals, and other uses, such as off-road vehicles? Will you commit to consider proposed changes to monument boundaries or proposed uses within the new Monuments only after BLM has considered such changes during the development of a land use plan for each Monument? (i.e., assuring public review and comment).

Answer: I have demonstrated my commitment to the public involvement process by the letters sent March 28th asking for input into the land uses in National Monuments and by placing a priority for funding the Land Use Plans currently underway.

Question 41: Which Monuments do you believe should be altered?

Answer: Once the responses from the March 28th letters are in and completely analyzed, decisions and recommendations will be made on whether changes will be made.

Question 42: Have you or your staff had discussions with Members of Congress regarding proposed alterations to the new Monuments? If so, which Monuments are under consideration for changes?

Answer: On March 28, 2001, letters were sent to elected officials including affected Members of Congress requesting their (and their constituents') ideas into how they would like to see their National Monuments managed and for what uses. Responses to those letters
will be collected and analyzed and determinations will be made as to changes that are recommended.

Question 43: For example, the Associated Press reported on June 5 on a possible threat to the new Ironwood Forest National Monument from mining. According to the report, ASARCO, a giant producer of copper and other metals is lobbying you and other officials to change the boundaries so that mining can take place on what is now protected monument lands. The article stated that a Congressman Kolbe’s request, officials from BLM and Pima County, Arizona, toured the ASARCO Silver Bell mine last week. Representative Kolbe was quoted as saying that he had sent an aide to the meeting at Chairman Hansen’s and your request. Is this an accurate report? What are your intentions for this monument?

Answer: A meeting did take place between Congressman Kolbe’s staff and ASARCO. BLM was invited to attend along with county officials. We would be willing to consider changes to monuments which resolve difficult and conflicting land use issues while working to protect the resources as intended by the proclamation.

Question 44: Secretary Babbitt made a habit of meeting with members of the public prior to making recommendations on the designation of new national monuments. He held open public forums in communities that would be affected by these proposals and articulated his intention to recommend national monument designation before doing so. Will you commit to engage the public in an open dialogue before proceeding with any changes- or proposals to change-the new National Monuments?

Answer: Yes, I have already made that commitment through the March 28th letters and am taking the feedback seriously.

Question 45: In June 2000, then-candidate Bush stated that he did not support extension of the deepwater royalty relief program in the Gulf of Mexico OCS leasing program. As you know, that 5-year program expired after allowing oil and gas companies a free ride on paying royalties due on billions of barrels of oil and gas produced from the deepwaters of the Gulf of Mexico. Interestingly, the President’s energy plan takes a different approach, suggesting that the program be reintroduced to encourage oil and gas development. Given the boom that
continues in the Gulf, why would a royalty holiday be warranted?

Answer: My understanding is that when President Bush stated that he did not support extending the Deep Water Royalty Relief Act, he was referring to the specific amounts and form of relief embodied in that legislation, which passed in 1995 and expired in 2000. By the year 2000, economic conditions and geologic findings in the Gulf of Mexico had changed considerably in the five years since passage of the Act. So, clearly, the provisions in the Act needed to be adjusted or eliminated.

The President’s energy plan provides that the Secretary of the Interior consider economic incentives for environmentally sound offshore oil and gas development where warranted by specific circumstances: explore opportunities for royalty reductions, consistent with ensuring a fair return to the public where warranted for enhanced oil and gas recovery; for reduction of risk associated with production in frontier areas or deep gas formations; and for development of small fields that would otherwise be uneconomic. (NEP p. 5-7) (emphasis added).

Accordingly, royalty relief will provide some insurance that the net proceeds from production in the future will justify today’s required substantial deepwater investments. In addition, if oil and gas prices are higher than expected and exceed the price thresholds specified as part of the conditions of royalty relief, producers are required to pay royalties on production during those time periods even if it otherwise would be royalty-free. Thus, the public’s interest is protected during times when prices are higher than expected.

Question 46: A May 30th article in a Montana newspaper, The Great Falls Tribune, on oil and gas development Montana and Wyoming, reported that Department of Interior officials have suggested streamlining decision-making about oil and gas leases, by removing any say-so of the Forest Service. Under the current system, the Forest Service decides where oil and gas activities will occur. Do you believe the BLM should decide where in National Forests energy development should occur?

Answer: We do not recommend changing the current responsibilities of the Forest Service and the BLM for energy development in National Forests. We will continue to strive to improve our coordination.
with the Forest Service and other agencies to expedite environmentally-sound energy development.

Question 47: The OCS Policy Committee recently recommended to you that the Department lift the OCS moratoria in at least five places. Specifically, the advisory group recommended that the Interior Department examine "the most prospective areas for natural gas in [places] the industry would like to explore if allowed." The President's plan also recommended that the Interior and Commerce departments reexamine laws and regulations restricting offshore exploration.

Answer: The recommendations forwarded to the Secretary of the Interior were those of the OCS Policy Committee. Neither the Natural Gas Subcommittee report, nor the OCS Policy Committee recommendations, specified revisiting any particular moratoria area. The Natural Gas Subcommittee charter stated "The purpose of this subcommittee is to independently review and evaluate information on natural gas, and then to provide an assessment of the contribution the OCS can make to meeting the short-term and long-term natural gas needs of the U.S. within the framework of a national energy policy." The report provided resource estimates and potential for the entire OCS.

On May 24, 2001, the OCS Policy Committee amended the Natural Gas Subcommittee recommendations and adopted a resolution to forward its amended recommendations to the Secretary of the Interior. I received a letter from the Policy Committee forwarding a resolution to transmit 12 recommendations "to encourage increasing natural gas production from the OCS." I plan to take all 12 recommendations under advisement.

Copies of the Policy Committee's Resolution and Recommendations are attached.

Question 48: On pages 3-8 through 3-9 of the National Energy Policy, there is a discussion about hydro power and the importance of communities working together to reduce the impacts dams have on fisheries. The report touts the work of Grant County Public Utility District #2 which installed spillway deflectors on Wanapum Dam and says Grant County's work is "an example of successful collaboration" between the National Marine Fisheries Service and the utility. Can you tell me more about
the history of Grant County’s participation in this project? I am advised that the so-called collaboration stems from litigation that the States of Washington and Oregon, National Marine Fisheries Service and Fish and Wildlife Service brought against Grant County in a suit before the Federal Energy Regulatory Commission.

Answer:

The spillway deflectors developed by the Grant County Public Utility District and referred to in the National Energy Report are needed to reduce dissolved gases in the Columbia River. (Dissolved gases can adversely affect migrating salmon.) They are being installed by Grant County to improve water quality and reduce salmon mortality. The U.S. Fish and Wildlife Service is not involved in litigation with Grant County and we are not aware of any litigation regarding the spillway deflectors.

The Mid-Columbia River has several Federal Energy Regulatory Commission (Commission) licensed projects including Priest Rapids, Wanapum, Rock Island, Rocky Reach, and Wells. Grant County owns and operates the Priest Rapids and Wanapum Projects. Since the mid-1970s, the State and Federal agencies and the licensees have been trying to reduce project-related mortality on migrating salmon and steelhead. These efforts have included installing fish screens, improving upstream passage of adults, spilling water to help juvenile salmon avoid the turbines, installing spillway deflectors to reduce dissolved gases, and several other measures. Many of these devices have been installed or are in the approval process.

To approve these devices, the licensee must petition the Commission to amend their license. In this case, Grant County asked the Commission to change the license for the Wanapum Project because the spillway deflectors are not an authorized part of the project. Under the Commission’s procedures for requesting an amendment of a license, the licensee must petition the Commission to reopen the license; must provide substantial evidence to support their position; must outline the legal and technical basis for their petition; and must provide evidence of consultation with the Federal and State agencies. This process appears, for all practical purposes, to be litigation. However, it is not litigation, instead it is the normal quasi-judicial process the Commission uses to make decisions. The same process is used regardless of whether it is a contested proceeding or all parties agree with the proposal.
The U.S. Fish and Wildlife Service, NOAA-Fisheries, and the States of Oregon and Washington are involved in the efforts to improve fish passage on the Mid-Columbia. They are consulting with Grant County and Chelan County, and are aware of the counties' efforts to improve their hydropower projects for the benefit of salmon and steelhead.

(YOUNG)

**Question 49:** Your testimony describing the productivity of the average oil well on the North Slope of Alaska in comparison to the average well in the Lower 48 States was an interesting point that has not been often made. Can you elaborate on the significance of this issue?

**Answer:** The point of my remark was that there are significant differences in the size of the prospects for oil and gas between the North Slope of Alaska and the lower 48 that should be considered when we think about the expected results of exploration and development in those areas. The North Slope holds the potential to yield substantial additions to our oil and gas supplies with much less drilling and much less surface area devoted to petroleum production than in the lower 48.

This situation results from the fact that the geological features that remain to be explored on the North Slope are much larger than those remaining in the lower 48. In addition, only large discoveries are economical to develop and produce on the North Slope. In the lower 48, as illustrated by the data from Wyoming, the targets for exploration are a larger number of small geological features, each one needing exploratory wells. Each of the few prospects on which oil or gas are found requires production wells and equipment and an access road.

In comparison, on the North Slope, the exploration targets are much larger so that much more oil will be discovered by successful wells. Moreover, the large reservoirs of the North Slope can be produced using numerous wells drilled directionally from the same surface facility. This substantially reduces the extent of the area occupied by such facilities in relation to the amount of oil produced. Disturbance for roads is also reduced on the North slope by using ice roads.
Comparing the data for Wyoming to a recent discovery in the National Petroleum Reserve - Alaska (NPR-A) that is typical of the North Slope shows that the area of surface disturbance per barrel discovered is about 300 times less for the NPR-A discovery than the average in Wyoming.

The North Slope has about 2200 producing oil wells with an average production of about 455 barrels of oil per day. On a state-wide basis, Wyoming, the largest oil producing state with substantial federal lands, has 9,121 producing oil wells with an average production of 19 barrels per day. Existing Alaskan wells produce about 24 times as much oil per well as those in Wyoming. At this rate, it would take about 219,000 wells to produce as much oil in Wyoming as is produced on the North Slope – if there was that much oil available.

These statistics illustrate the high potential for discovery of oil on the North Slope and they support my point that we should consider the fact that those will be less drilling and less surface disturbance per barrel than the lower 48.

Question 50: What are the USGS estimates of the in-place oil resources on the coastal plain of ANWR, including the Federal 1002 area, and State and Native lands? If oil recovery methods improve on oil fields that are comparable to those believed to underlie the coastal plain, would the estimate of technically recoverable oil resources under the coastal plain increase?

Answer: The USGS mean estimate for ‘in-place’ oil under the coastal plain, including Native lands and State waters (not lands) is 27.78 billion barrels. The full range reported is from 15.58 billion barrels (at the 95% confidence level) to 42.32 billion barrels at the 5% confidence level.

The volume of technically recoverable oil is that volume that is recoverable from the in-place estimate. Therefore, it is reasonable to expect that larger volumes of oil could be recovered as recovery methods improve. However it is very difficult to forecast what that volume might be.

Question 51: Some believe the 1002 area is a Wilderness area. Is the 1002 Area now, or has it ever been, a unit of the Wilderness Preservation System?
Answer: The 1002 area is not designated as Wilderness, nor has it been.

(GALLEGLY)

Question 52: I have concerns about the fairness of some of the studies that small hydro-power plants have been asked to do in the midst of the current energy crisis.

In my district, the operators of the Santa Felicia Dam and hydro-plant near Piru Creek, have been asked to do a number of studies by various federal agencies. It is estimated that the costs of the studies outweigh the costs of the hydro facility - the hydro facility costs $2 million. The dam currently provides clean hydro-electric power to an estimated 1,500 homes in my district.

Will you work with your fellow agencies to ensure that the FERC relicensing process is not overly burdensome for small hydro-electric plants?

Answer: I am committed to working with other resource agencies to guarantee that the FERC-licensing process is not overly burdensome for applicants.

Upon initial review of this case I believe that this was an instance where the applicant initially did not do enough to provide necessary information to the resource agencies. Unfortunately the resource agencies responded with expensive study requirements to fill the information gap. I am happy to report that the resource agencies and the applicant will be meeting this summer to decide on a course of study that is appropriate to the physical scale of the project and its environmental impacts.

Studies provide key scientific information to all involved in the licensing process: 1) Licensees use study information to limit mitigation to impacts related to their project operations; 2) Resource agencies rely on studies to develop license conditions to protect resources for which they have statutory responsibilities; 3) FERC uses the information to perform NEPA analysis, to meet other regulatory responsibilities, and to make decisions regarding the appropriate level and type of mitigation to require in licenses.
Recent forums for improving hydropower licensing identified a number of issues and solutions with respect to selecting and implementing studies. The Interagency Task Force to Improve Hydroelectric Licensing Process (ITF) called for the resource agencies to more clearly identify their resource management goals and objectives, and establish a clear nexus between project operations and impacts on the resources being studied. Importantly, the Department made a commitment to choosing the least cost alternative to achieve management goals. The resource agencies are committed to implementing these and other changes.

**MARKEY**

**OCS Drilling**

**Question 53(a):** One of the recommendations made in the Bush Administration's proposed national energy policy was to revisit OCS drilling policy. What specific changes in "current federal legal and policy regimes" is your Department currently considering to implement this recommendation?

**Answer:** We are at a very early stage in implementation of the Administration's energy policy. We plan to work with other agencies, to see if we can improve the efficiency of our regulatory process while ensuring involvement of essential stakeholders.

**Question 53(b):** What aspects of this issue [do] you expect will be evaluated by the Commerce Department?

**Answer** Under the Administration's National Energy Policy Report, the Departments of Commerce and Interior have been tasked to review policies, procedures, and regulations associated with energy-related activities and facilities in the coastal zone and on the OCS to determine whether they lend themselves to an efficient, predictable, and environmentally-sound oil and gas leasing, exploration, and development program.

**Question 53(c):** In your oral testimony, you said in response to a question about the Administration's plans to revisit OCS drilling policies that "I think it is wise for us to have a wide array of information as we are making decisions. And I think understanding where resources are located is something that leads to wise decision-making, whether or not we decide to go..."
forward with trying to access those resources or not." With respect to the OCS moratoria areas, what additional information do you believe it is necessary to obtain at this time that we do not already have, and how are you proposing to obtain this information?

Answer: As we look to and plan for the future, we need to have a sound information base for discussions and consultations with all stakeholders. We need to understand the environment and the geology. We have conducted environmental studies of moratoria areas in the past, but clearly some would need to be updated. Acquiring environmental information in moratoria areas has been supported by past review of the National Academy of Science and the Department of the Interior Advisory Committees.

We would also benefit if there were more geological and geophysical information collected using state of the art techniques. This is an activity normally done by the private sector and it is unlikely companies will pursue such activity while areas are under moratoria.

Question 53(d): Would the Department be considering allowing exploratory drilling or related activities in order to obtain the type of information you are seeking?

Answer: Consistent with longstanding Departmental interpretation, the current congressional restrictions on OCS activities, as well as the restrictions under the President’s 1998 OCS directive, do not preclude the collection of environmental, geologic, geophysical, economic, engineering or other scientific analyses, studies or evaluations. These are the types of information needed to better understand the environment and resources potential of an area. Also, current congressional moratoria, as well as the restrictions under the President’s 1998 OCS directive, do not preclude exploratory drilling on existing leases located in areas under a leasing moratorium. Therefore, a lease owner of an existing lease within a moratoria area can file an exploration plan, which could include exploration drilling. If that were to occur, an exploration plan would require review and approval by MMS and affected states under NEPA and CZMA.

Question 53(e): During the hearing, you seemed to suggest that the Department’s "re-examination" might also focus on policies
affecting off-shore drilling in those existing regions where such drilling is currently permitted. Here, you indicated in your oral testimony that you believed there was "some potential room for improvement" and that "we are analyzing that to determine whether we need administrative changes or whether we need to come back to you all?" What specific administrative or legislative changes are you considering and why?

Answer: We would like to reexamine several laws. Much of this work involves other Federal agencies. Under the Administration’s National Energy Policy Report, the Departments of Interior and Commerce have been tasked to examine the current federal legal and policy regime (statutes, regulations and Executive Orders) to determine if changes are needed regarding energy-related activities and the siting of energy facilities in the coastal zone and on the OCS.

Question 53(f): Your testimony also seemed to indicate a desire to review existing environmental planning requirements relating to off-shore drilling because you felt current requirements lacked some "clarity." What specific concerns do you have about these environmental requirements?

Answer: Our interest is that the regulatory framework provides clear instruction as to what regulatory requirements must be met, what environmental information is required to be submitted, how that information will be used, and when decisions must be made. We also believe that timeframes should be clear.

Question 53(g): When do you expect the Department’s "reexamination" of OCS drilling policies and the relevant legal and regulatory framework to be completed?

Answer: It is my understanding that staff from the Department of the Interior and the Department of Commerce will meet soon, and I do not know when a review would be completed.

Question 53(h): Recent press reports indicate that the Natural Gas Subcommittee, a division of the federal advisory committee that provides recommendations to the Interior Department, has recommended that the Department examine "the five top geological plays in the moratoria areas, and if possible, the most prospective areas for natural gas in the plays that the industry
would like to explore if allowed." In your response to a question raised at the Committee's hearing, you indicated that you have not been formally presented with the recommendations of this Subcommittee. When do you expect that this will occur, and what action will the Department take in response to these recommendations?

Answer:

The OCS Policy Committee provides advice to the Secretary of the Interior on implementing the OCS Lands Act. Representing the collective viewpoint of coastal states, environmental interests, industry and other parties. The Policy Committee advises the Department, through the Minerals Management Service, on a number of important issues involving our Nation's energy policy. The Committee establishes subcommittees to study issues in-depth and to develop recommendations for consideration by the full committee. Committee recommendations are forwarded to the Secretary.

On May 24, 2001, the OCS Policy Committee amended the Natural Gas Subcommittee recommendations and adopted a resolution to forward its amended recommendations to the Secretary of the Interior. On June 7, 2001, I received a letter from the Policy Committee forwarding a resolution to transmit 12 recommendations "to encourage increasing natural gas production from the OCS." I plan to take all 12 recommendations under advisement.

Copies of the Policy Committee's Resolution and Recommendations are attached.

Question 53(i): Who are the current Members respectively of the Natural Gas Subcommittee, the Outer Continental Shelf Advisory Committee, and the Minerals Management Advisory Board? For each of these panels, how many Members are employed by, affiliated with or have financial ties to the oil and natural gas industries, including consultants to those industries? How many Members are from environmental, consumer, or public interest organizations?

Answer:

The members of the Natural Gas Subcommittee were:

Jerome M. Selby (Chair), Consultant for the Mayor of Anchorage, Anchorage, Alaska; Patrick S. Galvin, Division of Governmental Coordination, Juneau, Alaska; Robert R. Jordan, Delaware
Geological Survey, Newark, Delaware; Jack C. Caldwell, Louisiana Department of Natural Resources, Baton Rouge, Louisiana; Lawrence C. Schmidt, Department of Environmental Protection, Trenton, New Jersey; Daniel F. McLawhorn, North Carolina Department of Environment and Natural Resources, Raleigh, North Carolina; Bruce F. Vild, Statewide Planning Program, Providence, Rhode Island; Andrew L. Hardiman, Chevron Gulf of Mexico Deepwater Business Unit, New Orleans, Louisiana; Paul L. Kelly, Rowan Companies, Inc., Houston, Texas; George N. Ahmaogak, Sr., Mayor, North Slope Borough, Barrow, Alaska Environmental Community advisor.

The Minerals Management Advisory Board is comprised of four committees, the OCS Policy Committee, the Royalty Policy Committee, the Alaska OCS Region Offshore Advisory Committee (inactive), and the OCS Scientific Committee. The advice and information that the Board, through its committees, provides to the Department and MMS are unique. The members serve as MMS’s primary contact to the Governor’s offices and Native American Indian tribes. These members bring into focus a broad range of knowledge and invaluable perspective and provide for distillation of data affecting offshore oil and gas exploration and development and royalty management. The committee meetings also provide opportunities for parties with an interest in OCS oil and gas development and royalty management issues to discuss their differences in an open forum and examine alternatives to resolve conflicts.

OCS Policy Committee

12 Discretionary Members

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