

**Energy Permitting – Need for Strong Interior FY 07 Administration Request
Federal Lands Leasing and Permitting Budget - (\$) millions**

	03	04	05	06 (Bush)	House Rec.	Sen. Rec.	<i>06 Enacted</i>	<i>07 Need</i>
BLM, Energy and Minerals								
Oil and Gas	\$86	\$88	\$87.36	\$87.29	\$89.291	\$90.29**	<i>\$90.291</i>	<i>\$100</i>
USFS, National Forest System								
Minerals & Geology Mgt.	\$52	\$53	\$56	\$74*	\$85.865	\$73.791	<i>\$85.865</i>	<i>\$100</i>

**\$25.4 is included for abandoned mine work transferred into the account. Real level therefore is \$48.6 (a proposed \$7.4M cut for USFS).*

***Of this \$3M increase recommended by the Senate, \$250,000 was earmarked for Utah Internet Pilot program, with balance going to oil shale and permit processing.*

Objective

To increase funding to Department of the Interior Bureau of Land Management (BLM) and Department of Agriculture US Forest Service (USFS) federal mineral leasing accounts to enable these agencies to keep pace with the processing of a significantly increasing number of applications for permits to drill (APDs). *Rental revenue sharing under the Energy Policy Act of 2005 must be treated as an addition to baselines to allow permit backlog elimination and increases in natural gas supply.*

APDs	'02	'03	'04	7/05*
Received	4585	5063	6979	<i>6230</i>
Approved	3540	3961	6452	<i>4947</i>
Pending/Backlogged (year-end)	3320	3240	2868	<i>3799</i>

**Estimated that BLM will have received 8000 in 2005, 1500 more than forecasted, which will increase backlog by approximately 1400 APDs (3800 total) should funding remain level.*

Background

The critical need for additional domestic resources of energy cannot be overstated, and particularly that for natural gas. Many of the most promising domestic resources are located under federal lands. However, there is a significant backlog in processing of federal APDs. In some cases, better management practices could be employed. Yet in others, it is simply a matter of not having adequate resources, in real dollars, through annual Congressional appropriations to BLM and USFS accounts under the Department of Interior.

The USFS, agency-wide, has seen permit applications quadruple in number since 1999. For BLM, between 2001 and 2004, the agency approved 17,589 APDs as compared with 10,102 between 1997 and 2001. In the first six months of this fiscal year alone, applications agency-wide are up over 30% compared with the same period during 2004, which was a record year for both BLM and USFS. In fact, the most effective and efficient field offices in review/processing of APDs simply cannot keep pace with current demand. Under-funding will serve to only exacerbate the problem as long lead times are needed before gas and/or oil actually get to the end-user.

The Intermountain West provides the mineral resources and infrastructure to contribute most immediately to the growing energy needs of the country. Now is not the time to cut these important accounts. In fact, funding should be increased to adequately meet the workload brought by rapidly increasing applications and to alleviate the pressure on an already overburdened system. The annual value of rents and royalties to the federal treasury is extremely significant. *(For example, mineral receipts from USFS lands are greater than all other sources of agency revenue combined, yet the minerals accounts total only about 1% of the USFS budget.)* Delay in processing applications yields fewer and slower returns to the treasury. And resulting reduced energy supplies contribute to high energy prices that adversely affect all consumers.

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