



Highlights of [GAO-05-418](#), a report to the Ranking Minority Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Rising U.S. energy consumption and concerns about dependency on foreign energy sources have prompted the administration to aggressively pursue domestic oil and gas production, including production on public lands, which in turn has generated concern that the impacts of this activity may compromise the use of public land for other purposes.

GAO determined (1) the extent to which the level of oil and gas development on public lands managed by the Bureau of Land Management (BLM) has changed in recent years, and how the change has affected BLM's ability to mitigate impacts; (2) what policy changes related to oil and gas development BLM recently made and how these policies affected BLM's environmental mitigation activities; and (3) what challenges BLM faces in managing its oil and gas program.

What GAO Recommends

GAO recommends, among other things, that BLM should (1) ensure that its staffing needs are accurately reflected in its workforce plans and (2) finalize and implement a fee structure to recover the cost of processing oil and gas permits.

Interior agreed with all of GAO's recommendations and said the report generally does much to capture the many demands involved in managing BLM's oil and gas program.

www.gao.gov/cgi-bin/getrpt?GAO-05-418.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Anu Mittal at (202) 512-3841 or mittala@gao.gov.

OIL AND GAS DEVELOPMENT

Increased Permitting Activity Has Lessened BLM's Ability to Meet Its Environmental Protection Responsibilities

What GAO Found

BLM's ability to meet its environmental mitigation responsibilities for oil and gas development has been lessened by a dramatic increase in oil and gas operations on federal lands over the past 6 years. Nationwide, the total number of drilling permits approved by BLM more than tripled, from 1,803 in fiscal year 1999 to 6,399 in fiscal year 2004. BLM officials in five out of eight field offices that GAO visited explained that as a result of the increases in drilling permit workloads, staff had to devote increased time to processing drilling permits, leaving less time for mitigation activities, such as environmental inspections and idle-well reviews.

BLM made policy revisions over the last 6 years that affected to varying degrees its ability to assess and mitigate the environmental impacts of oil and gas development. The combined effects of these policy changes—some of which were aimed at facilitating and managing increased development, while others were meant to enhance environmental mitigation—were mixed. For example, four of the eight field offices reported that the most significant impact of the policies to expedite and manage oil and gas development was the increased emphasis that some of these policies placed on processing permits, which in turn resulted in shifting staff responsibilities away from mitigation activities. On the other hand, policies to enhance mitigation generally had a positive impact, although increases in the permitting workload have limited their effect. For example, in six field offices, policies for revitalizing BLM's inspection and enforcement program resulted in more inspection staff being hired, although most offices remain understaffed.

BLM state and field office staff, and GAO, identified several challenges to managing the agency's oil and gas program, including (1) managing workloads while meeting all of its responsibilities, (2) using workforce planning to effectively identify and communicate its workforce needs, and (3) meeting its oil and gas program resource needs in light of budget constraints. Workload pressure, already high due to increased permitting activity, has been further exacerbated by increased appeals and litigation of BLM decisions and actions, according to BLM staff. In reviewing BLM's efforts to manage increasing workloads, GAO found that some data needed to quantify specific workload activities are either not tracked or not consistently tracked, and that BLM's current workforce planning process does not effectively identify and communicate BLM's staff needs to decision makers. As a result, the process does not provide consistent and readily available information that BLM can use to support budget justifications and make informed resource allocation decisions. BLM is also presented with the challenge of meeting its oil and gas program responsibilities in a period when staffing needs are growing faster than available resources. While BLM has the authority to assess and collect fees for processing oil and gas permits, it has not exercised this authority. BLM has recently taken steps to develop a fee structure for permits.