Congress of the United States
Washington, DC 20510

January 27, 2010

The Honorable Ken Salazar
Secretary of Interior
U.S. Department of the Interior
1849 C Street NW
Washington, DC 20240

Dear Secretary Salazar:

We are writing in response to the Department of Interior's oil and gas leasing reforms announced on Wednesday, January 6, 2010. We are deeply concerned that these misguided policy changes will have a negative impact on job growth and economic recovery in our States and across the West. This is unacceptable at a time when American families are facing ten percent unemployment and rising energy costs. Instead of putting up road blocks to American energy development, we urge you to rethink your proposal with a goal of increasing American energy production, creating jobs and fostering economic development.

Under the guise of restoring "balance" to onshore oil and gas leasing, the Department proposes to conduct more detailed environmental reviews and offer greater public comment prior to offering leases. Environmental analysis and public input are crucial components of making sound land management decisions. These reforms, however, are duplicative of the environmental analyses and public input required under the current legal and regulatory framework. The Department's reforms will simply insert additional, costly layers of bureaucracy while making it more difficult and more costly to develop American energy resources and invest in American jobs.

Many families in the West rely on oil and gas development for good-paying jobs. Your characterization of these families as "kings of the world" is simply inaccurate. Our constituents who work in the oil and gas industry are hard-working men and women. Many of them are small business owners or employees. In fact, independent producers develop 90% of domestic oil and gas wells. Rather than disparaging their work, we encourage you to find commonsense solutions that foster job growth, improve the efficacy of government and promote our energy security.

Western states are struggling with budgetary shortfalls in a down economy. The new leasing regulations will only add to this pain. We have already seen a dramatic reduction in the number of oil and gas leases during the first term of this Administration. In 2008, BLM issued 2,778 oil and gas leases, covering a total of 4,469,337 acres, and received $445,868,338 in bonus bids. Meanwhile, in 2009, BLM issued only 1,273 oil and gas leases, covering a total of 1,097,967 acres, and received $129,289,399 in bonus bids. The state share from oil and gas revenues for the states of Colorado, Montana, New Mexico, Utah, and Wyoming alone decreased by over $120 million in the last year.

Further, we are troubled by your repeated mischaracterization of the historical leasing data. In fact, the Congressional Research Service reports a 32% reduction in total federal lands offered for lease during the Bush Administration when compared to the Clinton Administration (46.4 million acres offered under President Clinton versus 31.5 million acres offered under President Bush). While it may be a compelling sound bite, your repeated assertion that the previous Administration held an "anywhere, anyhow" policy on oil and gas development is not borne out by the facts. While blaming the previous Administration may earn you applause from environmentalists who oppose any and all domestic energy development, the partisan rhetoric does nothing to create jobs and is actually not supported by the facts.

The oil and gas industry is one of the nation's largest employers, supporting over 9 million jobs and generating 7.2% of U.S. gross domestic product. Given that the unemployment rate is at its highest level in 26 years, we would hope that the Department of Interior would do everything in its power to save existing jobs and create new ones. Last week's decision will not help in this regard. Indeed, thousands of jobs in Western states could be jeopardized by the Administration's efforts to impose additional layers of federal bureaucracy on American oil and gas development.

In addition to the detrimental impact on jobs and the economy, the Department's reforms raise numerous practical issues regarding implementation. How will these additional reviews impact the current permitting backlog? How will these additional reviews mesh with the existing Resource Management Plans, NEPA reviews, public comment periods, and other environmental analysis? Does the Department have adequate staff resources for nominating leases, additional on-the-ground site inspections, and additional new reviews – all before leases are actually offered?

We are also concerned by the Administration's efforts to impose administrative conditions on the categorical exclusions enacted under Section 390 of the Energy Policy Act of 2005. Your decision to subject the statutory categorical exclusions to the "extraordinary circumstances" review puts this important tool at risk to endless litigation. By using the Environmental Protection Agency's finding that carbon dioxide poses a threat to public health and welfare, anti-energy litigation would effectively eliminate the 2005 provision.

Western states have been leaders in responsible energy development for decades. When it comes to meeting America's energy needs, we need it all. This principle should also apply to creating jobs and getting our economy back on track. Unfortunately, the Department's oil and gas leasing reforms will further limit energy production on federal lands, discourage job creation, and encourage litigation. We respectfully request you reconsider these leasing reforms.

Sincerely,

John Barrasso

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