

NATIONAL PETROLEUM RESERVE ALASKA ACCESS ACT

SEPTEMBER 10, 2013.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HASTINGS of Washington, from the Committee on Natural Resources, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 1964]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1964) to amend the Naval Petroleum Reserves Production Act of 1976 to direct the Secretary of the Interior to conduct an expeditious program of competitive leasing of oil and gas in the National Petroleum Reserve in Alaska, including at least one lease sale in the Reserve each year in the period 2013 through 2023, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 1964 is to amend the Naval Petroleum Reserves Production Act of 1976 to direct the Secretary of the Interior to conduct an expeditious program of competitive leasing of oil and gas in the National Petroleum Reserve in Alaska, including at least one lease sale in the Reserve each year in the period 2013 through 2023.

BACKGROUND AND NEED FOR LEGISLATION

The largest state in the union, Alaska, is home to abundant natural resources including oil and natural gas. Most have heard about Alaska's onshore resources contained in the 1002 area of the Arctic National Wildlife Refuge (ANWR) or the National Petroleum

Reserve—Alaska (NPRA) areas that have long been part of the energy debate on Capitol Hill.

NPRA

In 2008, the Department of the Interior anticipated that production from the NPRA would finally be realized. Actions taken by the Environmental Protection Agency (EPA) have delayed that production indefinitely.

EPA declared the Colville River Delta an “aquatic resource of national importance” (ARNI) after applications were filed to build a bridge over the river to provide access to the Conoco-Phillips development project in the NPRA and used the ARNI designation to deny and override an Army Corps of Engineers 404 permit under the Clean Water Act.

TRANS ALASKA PIPELINE SYSTEM (TAPS)

TAPS is an 800 mile long pipeline that is vital to United States energy production. Since 1977, TAPS has successfully transported more than 16 billion barrels of oil.

At its peak of production, Prudhoe Bay produced 2.1 million barrels of oil per day that was transported via TAPS, providing one-third of the nation’s oil production. Today approximately 620,000 barrels of oil per day flow through TAPS. Without new production from Alaska’s North Slope, ANWR, NPRA, and the Beaufort and Chukchi Seas, there will not be enough oil flowing through the pipeline to sustain it. If the pipeline shuts down because oil production has not been allowed to take place, the pipeline system will have to be removed, thus eliminating a valuable national resource and leaving billions of barrels of oil stranded in the North Slope of Alaska.

CURRENT STATUS

In November 2012, the Administration held a lease sale in the NPRA. While the Administration claimed to make available 400 tracts comprising approximately 4.5 million acres, due to the regulatory uncertainty and administrative roadblocks to development in the NPRA, only two companies submitted 14 bids for 160,000 acres.

Development of the NPRA was further compromised with their recent announcement of the Record of Decision for the final NPRA Integrated Activity Plan and Environmental Impact Statement. This obstructive plan effectively serves to take land off the table for development that would be essential to transport crude oil out of the NPRA, and any production will be endlessly held up in environmental law suits and bureaucratic red tape.

This legislation requires the Secretary of the Interior to conduct at least one annual lease sale in the reserve and directs the Secretary to issue permits for all surface development activities, including pipeline and roads, which are necessary to develop the NPRA to transport oil and natural gas from the reserve and secure the continued operation of TAPS. The legislation also nullifies the obstructive Environmental Impact Statement and requires the Secretary to issue a new proposed integrated activity plan, requires the issuance of new regulations for production and timely permit

processing, and requires an assessment of recoverable fossil fuel resources in the NPRA.

COMMITTEE ACTION

H.R. 1964 was introduced on May 14, 2013, by Congressman Doc Hastings (R-WA). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On May 22, 2013, the Subcommittee on Energy and Mineral Resources held a hearing on the bill. On June 12, 2013, the full Natural Resources Committee met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged by unanimous consent. No amendments were offered, and the bill was then adopted and ordered favorably reported to the House of Representatives by a bipartisan roll call vote of 26 to 14, as follows:

Committee on Natural Resources

U.S. House of Representatives

113th Congress

Date: June 12, 2013

Recorded Vote #: 13

Meeting on / Amendment on: H.R. 1964 - To adopt and favorably report the bill to the House agreed to by a vote of 26 yeas to 14 nays

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Hastings, WA, Chairman	X			Mr. Duncan of SC	X		
<i>Mr. Markey, MA, Ranking</i>				<i>Ms. Hanabusa, HI</i>		X	
Mr. Young, AK	X			Mr. Tipton, CO	X		
<i>Mr. Defazio, OR</i>		X		<i>Mr. Cardenas, CA</i>		X	
Mr. Gohmert, TX	X			Mr. Gosar, AZ	X		
<i>Mr. Faleomavaega, AS</i>	X			<i>Mr. Horsford, NV</i>		X	
Mr. Bishop, UT	X			Mr. Labrador, ID			
<i>Mr. Pallone, NJ</i>		X		<i>Mr. Huffman, CA</i>		X	
Mr. Lamborn, CO	X			Mr. Southerland, FL	X		
<i>Mrs. Napolitano, CA</i>		X		<i>Mr. Ruiz, CA</i>	X		
Mr. Wittman, VA	X			Mr. Flores, TX	X		
<i>Mr. Holt, NJ</i>		X		<i>Ms. Shea-Porter, NH</i>		X	
Mr. Broun, GA	X			Mr. Runyan, NJ	X		
<i>Mr. Grijalva, AZ</i>		X		<i>Mr. Lowenthal, CA</i>		X	
Mr. Fleming, LA	X			Mr. Amodei, NV			
<i>Ms. Bordallo, GU</i>		X		<i>Mr. Garcia, FL</i>			
Mr. McClintock, CA	X			Mr. Mullin, OK	X		
<i>Mr. Costa, CA</i>	X			<i>Mr. Cartwright, PA</i>		X	
Mr. Thompson, PA	X			Mr. Stewart, UT	X		
<i>Mr. Sablan, CNMI</i>				Mr. Daines, MT	X		
Ms. Lummis, WY	X			Mr. Cramer, ND	X		
<i>Ms. Tsongas, MA</i>		X		Mr. LaMalfa, CA			
Mr. Benishek, MI	X			Mr. Smith, MO	X		
<i>Mr. Pierluisi, PR</i>							
				TOTALS	26	14	

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

H.R. 1964—National Petroleum Reserve Alaska Access Act

H.R. 1964 would require the Secretary of the Interior to conduct certain activities aimed at facilitating the development of oil and gas in the National Petroleum Reserve in Alaska (NPR-A). Based on information from the Department of the Interior and assuming appropriation of the necessary amounts, CBO estimates that implementing the legislation would cost \$2 million over the 2014–2015 period. Enacting H.R. 1964 could affect direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that any such effects would be negligible. Enacting the legislation would not affect revenues.

The bill would require the United States Geological Survey (USGS) to complete a comprehensive assessment of oil and gas resources in the NPR-A. The agency recently completed many of the assessments that would be required under the bill. Based on information from the agency, CBO expects that the USGS would need to complete two additional assessments. Based on information regarding the cost of similar USGS assessments and assuming appropriation of the necessary amounts, we estimate that those assessments would cost \$2 million over the 2014–2015 period.

H.R. 1964 also would require the Bureau of Land Management (BLM) to conduct annual lease sales in the NPR-A. Historically, such sales were held every two years; however, because the agency began conducting annual sales in 2011 and plans to continue them in the future, CBO estimates that implementing this provision would not affect the federal budget.

Finally, the bill would require BLM to reassess a recent decision to offer 52 percent of the NPR-A region for oil and gas leasing and choose another development option that the agency has evaluated. Under the bill, CBO expects that the agency would select an alternative development plan for NPR-A that would make similar amounts of acreage available for oil and gas leasing. In addition, gross annual proceeds from oil and gas leasing activities in the NPR-A have been below \$5 million in recent years. Consequently,

CBO expects that requiring BLM to select a new resource development plan would have a negligible impact on direct spending.

H.R. 1964 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contacts for this estimate are Jeff LaFave. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

2. Section 308(a) of Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, credit authority, or an increase or decrease in revenues or tax expenditures. Based on information from the Department of the Interior and assuming appropriation of the necessary amounts, CBO estimates that implementing the legislation would cost \$2 million over the 2014–2015 period.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to amend the Naval Petroleum Reserves Production Act of 1976 to direct the Secretary of the Interior to conduct an expeditious program of competitive leasing of oil and gas in the National Petroleum Reserve in Alaska, including at least one lease sale in the Reserve each year in the period 2013 through 2023.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

COMPLIANCE WITH H. RES. 5

Directed Rule Making. The Chairman estimates that this bill directs the Secretary of the Interior to conduct one rulemaking.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omit-

ted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**NAVAL PETROLEUM RESERVES PRODUCTION ACT OF
1976**

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TITLE I—NATIONAL PETROLEUM RESERVE IN ALASKA

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SEC. 107. COMPETITIVE LEASING OF OIL AND GAS.

[(a) **IN GENERAL.**—The Secretary shall conduct an expeditious program of competitive leasing of oil and gas in the Reserve in accordance with this Act.]

(a) IN GENERAL.—The Secretary shall conduct an expeditious program of competitive leasing of oil and gas in the reserve in accordance with this Act. Such program shall include at least one lease sale annually in those areas of the reserve most likely to produce commercial quantities of oil and natural gas each year in the period 2013 through 2023.

(b) **MITIGATION OF ADVERSE EFFECTS.**—Activities undertaken pursuant to this Act shall include or provide for such conditions, restrictions, and prohibitions as the Secretary deems necessary or appropriate to mitigate reasonably foreseeable and significantly adverse effects on the surface resources of the National Petroleum Reserve in Alaska.

(c) **LAND USE PLANNING; BLM WILDERNESS STUDY.**—The provisions of section 202 and section 603 of the Federal Lands Policy and Management Act of 1976 (90 Stat. 2743) shall not be applicable to the Reserve.

(d) **FIRST LEASE SALE.**—The first lease sale shall be conducted within twenty months of the date of enactment of this Act: *Provided*, That the first lease sale shall be conducted only after publication of a final environmental impact statement if such is deemed necessary under the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(e) **WITHDRAWALS.**—The withdrawals established by section 102 of Public Law 94-258 are rescinded for the purposes of the oil and gas leasing program authorized under this section.

(f) **BIDDING SYSTEMS.**—Bidding systems used in lease sales shall be based on bidding systems included in section 205(a)(1)(A) through (H) of the Outer Continental Shelf Lands Act Amendments of 1978 (92 Stat. 629).

(g) **GEOLOGICAL STRUCTURES.**—Lease tracts may encompass identified geological structures.

(h) **SIZE OF LEASE TRACTS.**—The size of lease tracts may be up to sixty thousand acres, as determined by the Secretary.

(i) **TERMS.**—

(1) **IN GENERAL.**—Each lease shall be issued for an initial period of not more than 10 years, and shall be extended for so long thereafter as oil or gas is produced from the lease in paying quantities, oil or gas is capable of being produced in paying quantities, or drilling or reworking operations, as approved by the Secretary, are conducted on the leased land.

(2) RENEWAL OF LEASES WITH DISCOVERIES.—At the end of the primary term of a lease the Secretary shall renew for an additional 10-year term a lease that does not meet the requirements of paragraph (1) if the lessee submits to the Secretary an application for renewal not later than 60 days before the expiration of the primary lease and the lessee certifies, and the Secretary agrees, that hydrocarbon resources were discovered on one or more wells drilled on the leased land in such quantities that a prudent operator would hold the lease for potential future development.

(3) RENEWAL OF LEASES WITHOUT DISCOVERIES.—At the end of the primary term of a lease the Secretary shall renew for an additional 10-year term a lease that does not meet the requirements of paragraph (1) if the lessee submits to the Secretary an application for renewal not later than 60 days before the expiration of the primary lease and pays the Secretary a renewal fee of \$100 per acre of leased land, and—

(A) the lessee provides evidence, and the Secretary agrees that, the lessee has diligently pursued exploration that warrants continuation with the intent of continued exploration or future potential development of the leased land; or

(B) all or part of the lease—

(i) is part of a unit agreement covering a lease described in subparagraph (A); and

(ii) has not been previously contracted out of the unit.

(4) APPLICABILITY.—This subsection applies to a lease that is in effect on or after the date of enactment of the Energy Policy Act of 2005.

(5) EXPIRATION FOR FAILURE TO PRODUCE.—Notwithstanding any other provision of this Act, if no oil or gas is produced from a lease within 30 years after the date of the issuance of the lease the lease shall expire.

(6) TERMINATION.—No lease issued under this section covering lands capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same due to circumstances beyond the control of the lessee.

(j) UNIT AGREEMENTS.—

(1) IN GENERAL.—For the purpose of conservation of the natural resources of all or part of any oil or gas pool, field, reservoir, or like area, lessees (including representatives) of the pool, field, reservoir, or like area may unite with each other, or jointly or separately with others, in collectively adopting and operating under a unit agreement for all or part of the pool, field, reservoir, or like area (whether or not any other part of the oil or gas pool, field, reservoir, or like area is already subject to any cooperative or unit plan of development or operation), if the Secretary determines the action to be necessary or advisable in the public interest. In determining the public interest, the Secretary should consider, among other things, the extent to which the unit agreement will minimize the impact to surface resources of the leases and will facilitate consolidation of facilities.

(2) CONSULTATION.—In making a determination under paragraph (1), the Secretary shall consult with and provide opportunities for participation by the State of Alaska or a Regional Corporation (as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602)) with respect to the creation or expansion of units that include acreage in which the State of Alaska or the Regional Corporation has an interest in the mineral estate.

(3) PRODUCTION ALLOCATION METHODOLOGY.—(A) The Secretary may use a production allocation methodology for each participating area within a unit that includes solely Federal land in the Reserve.

(B) The Secretary shall use a production allocation methodology for each participating area within a unit that includes Federal land in the Reserve and non-Federal land based on the characteristics of each specific oil or gas pool, field, reservoir, or like area to take into account reservoir heterogeneity and area variation in reservoir producibility across diverse leasehold interests. The implementation of the foregoing production allocation methodology shall be controlled by agreement among the affected lessors and lessees.

(4) BENEFIT OF OPERATIONS.—Drilling, production, and well reworking operations performed in accordance with a unit agreement shall be deemed to be performed for the benefit of all leases that are subject in whole or in part to such unit agreement.

(5) POOLING.—If separate tracts cannot be independently developed and operated in conformity with an established well spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the Interior (in consultation with the owners of the other land) to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed to the agreement.

(k) EXPLORATION INCENTIVES.—

(1) IN GENERAL.—

(A) WAIVER, SUSPENSION, OR REDUCTION.—To encourage the greatest ultimate recovery of oil or gas or in the interest of conservation, the Secretary may waive, suspend, or reduce the rental fees or minimum royalty, or reduce the royalty on an entire leasehold (including on any lease operated pursuant to a unit agreement), whenever (after consultation with the State of Alaska and the North Slope Borough of Alaska and the concurrence of any Regional Corporation for leases that include land that was made available for acquisition by the Regional Corporation under the provisions of section 1431(o) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3101 et seq.)) in the judgment of the Secretary it is necessary to do so to promote development, or whenever in the judg-

ment of the Secretary the leases cannot be successfully operated under the terms provided therein.

(B) APPLICABILITY.—This paragraph applies to a lease that is in effect on or after the date of enactment of the Energy Policy Act of 2005..

(2) SUSPENSION OF OPERATIONS AND PRODUCTION.—The Secretary may direct or assent to the suspension of operations and production on any lease or unit.

(3) SUSPENSION OF PAYMENTS.—If the Secretary, in the interest of conservation, shall direct or assent to the suspension of operations and production on any lease or unit, any payment of acreage rental or minimum royalty prescribed by such lease or unit likewise shall be suspended during the period of suspension of operations and production, and the term of such lease shall be extended by adding any such suspension period to the lease.

(1) RECEIPTS.—All receipts from sales, rentals, bonuses, and royalties on leases issued pursuant to this section shall be paid into the Treasury of the United States: *Provided*, That 50 percent thereof shall be paid by the Secretary of the Treasury semiannually, as soon thereafter as practicable after March 30 and September 30 each year, to the State of Alaska for: (1) planning; (2) construction, maintenance, and operation of essential public facilities; and (3) other necessary provisions of public service: *Provided further*, That in the allocation of such funds, the State shall give priority to use by subdivisions of the State most directly or severely impacted by development of oil and gas leased under this Act.

(m) EXPLORATIONS.—Any agency of the United States and any person authorized by the Secretary may conduct geological and geophysical explorations in the National Petroleum Reserve in Alaska which do not interfere with operations under any contract maintained or granted previously. Any information acquired in such explorations shall be subject to the conditions of 43 U.S.C. 1352(a)(1)(A).

(n) ENVIRONMENTAL IMPACT STATEMENTS.—

(1) JUDICIAL REVIEW.—Any action seeking judicial review of the adequacy of any program or site-specific environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) concerning oil and gas leasing in the National Petroleum Reserve-Alaska shall be barred unless brought in the appropriate District Court within 60 days after notice of the availability of such statement is published in the Federal Register.

(2) INITIAL LEASE SALES.—The detailed environmental studies and assessments that have been conducted on the exploration program and the comprehensive land-use studies carried out in response to sections 105 (b) and (c) of Public Law 94-258 shall be deemed to have fulfilled the requirements of section 102(2)(c) of the National Environmental Policy Act (Public Law 91-190), with regard to the first two oil and gas lease sales in the National Petroleum Reserve-Alaska: *Provided*, That not more than a total of 2,000,000 acres may be leased in these two sales: *Provided further*, That any exploration or production undertaken pursuant to this section shall be in accordance with section 104(a).

(o) REGULATIONS.—As soon as practicable after the date of enactment of the Energy Policy Act of 2005, the Secretary shall issue regulations to implement this section.

(p) WAIVER OF ADMINISTRATION FOR CONVEYED LANDS.—

(1) IN GENERAL.—Notwithstanding section 14(g) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(g))—

(A) the Secretary of the Interior shall waive administration of any oil and gas lease to the extent that the lease covers any land in the Reserve in which all of the subsurface estate is conveyed to the Arctic Slope Regional Corporation (referred to in this subsection as the “Corporation”);

(B)(i) in a case in which a conveyance of a subsurface estate described in subparagraph (A) does not include all of the land covered by the oil and gas lease, the person that owns the subsurface estate in any particular portion of the land covered by the lease shall be entitled to all of the revenues reserved under the lease as to that portion, including, without limitation, all the royalty payable with respect to oil or gas produced from or allocated to that portion;

(ii) in a case described in clause (i), the Secretary of the Interior shall—

(I) segregate the lease into 2 leases, 1 of which shall cover only the subsurface estate conveyed to the Corporation; and

(II) waive administration of the lease that covers the subsurface estate conveyed to the Corporation; and

(iii) the segregation of the lease described in clause (ii)(I) has no effect on the obligations of the lessee under either of the resulting leases, including obligations relating to operations, production, or other circumstances (other than payment of rentals or royalties); and

(C) nothing in this subsection limits the authority of the Secretary of the Interior to manage the federally-owned surface estate within the Reserve.

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DISSENTING VIEWS

Democrats support the responsible management of the National Petroleum Reserve Alaska (NPR-A) under the Department of Interior Bureau of Land Management's 2013 Integrated Activity Plan, which makes approximately 11.8 million acres available for oil and gas leasing. However, we oppose H.R. 1964 because it would prevent the Department of the Interior from conducting proper review of oil and gas drilling activities in the NPR-A by imposing artificial and unnecessary deadlines.

H.R. 1964 would set an arbitrary clock to issue such permits. This provision could prohibit proper NEPA review of proposals to construct major oil and gas pipelines in the Reserve in the future. This directive would also appear to require the Interior Department to compel other Cabinet-level agencies to act, something far beyond the scope of the Secretary's authority.

H.R. 1964 would further require the Secretary to develop regulations to require action on drilling permits within 60 days. However, this provision is largely unnecessary because existing regulations already place a timeframe on the Department of 90 days to consider applications to drill in the NPR-A.

H.R. 1964 would also waste taxpayer resources by requiring the Interior Department to conduct unnecessary and duplicative studies. The legislation would require the BLM to develop a plan to 'ensure that all leasable tracts in the Reserve are within 25 miles of an approved road and pipeline right-of-way.' Requiring the BLM to map out a spider-web of roads and pipelines across the entire reserve before we even know where future oil and gas production may take place would be wasteful and counterproductive.

H.R. 1964 would also require the U.S. Geological Survey to complete an assessment of the technically recoverable oil and gas in the Reserve. The USGS just completed such an assessment of the undiscovered oil and gas reserves in the NPR-A in October of 2010 and also completed a study of the economically recoverable oil and gas in the Reserve earlier this year. According to the USGS, the average cost of an oil and gas assessment is \$2.75 million. We shouldn't be wasting millions of taxpayer dollars to require the USGS to redo an assessment completed less than one year ago, as the majority's legislation would do.

President Obama and House Democrats have already taken steps to encourage drilling in the NPR-A. President Obama announced in May of 2011 that he would direct the Department of the Interior to conduct annual lease sales in the NPR-A and the Department is already moving forward on that schedule. While H.R. 1964 includes a similar requirement to hold at least one lease sale per year in the NPR-A, we should make sure that we are drilling in challenging environments like the Arctic responsibly, not seeking to truncate proper review as this bill would do. We therefore oppose this effort.

PETER DEFazio.
RUSH HOLT.

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