

Oil and Natural Gas Provisions Within The Select Committee on the Climate Crisis' Report



July 10, 2020

The following are highlights of the House Select Committee on the Climate Crisis' report, [Solving the Climate Crisis](#), released June 30, 2020. These are sections focused on legislation and recommended rulemakings that would impact the oil and natural gas industry directly and indirectly. Also included are proposals noting the committee's vision of reforming government and corporate governance in ways that would impact Alliance member companies.

Pillar 1: Invest in Infrastructure to Build a Just, Equitable, and Resilient Clean Energy Economy

(page 30-212)

Plug Leaks and Cut Pollution from America's Oil and Gas Infrastructure

(page 196-212)

Cut Methane Pollution from Oil and Gas Production (page 197-200)

Building Block: Reinstate the EPA New Source Performance Standards for Oil and Gas Operations and the Bureau of Land Management's Methane and Waste Prevention Rule (page 197)

Recommendation: Congress should reinstate the EPA's NSPS rule, as finalized in 2016, and the BLM methane waste rules.

Building Block: Set Ambitious National Goals for Reducing Methane Emissions from the Oil and Gas Sector and Direct EPA and BLM to Issue New Rules to Achieve those Goals (page 198)

Recommendation: Congress should pass legislation establishing a national methane pollution reduction goal for the oil and gas sector of 65% to 70% by 2025 and 90% by 2030, relative to 2012 levels, and directing EPA and BLM to conduct rulemakings to achieve those reductions from new and existing oil and gas operations. The rules should require active monitoring for methane leaks throughout the system and, at minimum, cover methane emissions from oil and gas production, including new and existing offshore petroleum and natural gas production facilities; gathering and boosting; processing; transmission and distribution; storage; and equipment that handles liquefied natural gas (LNG). The rules should provide a clear pathway and criteria for EPA and BLM to recognize and approve the use of new advanced leak detection techniques upon their development. The legislation should set a clear and urgent timeline for promulgation and implementation of the rules.

Building Block: Set Limits on Routine Flaring of Associated Natural Gas at Oil Wells (page 199)

Recommendation: Congress should direct the EPA and BLM to require operators to use, sell, or reinject an increasing percentage of routinely flared gas at oil wells, achieving 100% by the earliest date practicable but no later than 2030. The EPA and BLM should set an interim target as well that achieves substantial reductions in routine flaring by 2025 to drive technological development and deployment.

Building Block: Require the EPA to Expand Air Quality Monitoring to Communities with Significant Oil and Gas Development (page 199)

Recommendation: Congress should direct EPA to require states to conduct air quality monitoring for criteria⁵⁶⁰ and hazardous air pollutants in areas with significant oil and gas development and should ensure that this information is made available to the affected communities. Congress should authorize and appropriate the funds necessary to expand monitoring into new locations.

Eliminate Methane Leaks from Existing Natural Gas Pipelines (pages 200-202)

Building Block: Eliminate Methane Leaks from Natural Gas Transmission Lines (page 200)

Recommendation: Congress should pass legislation to require natural gas pipeline operators to install and use advanced leak detection technology on all gas pipelines.

Recommendation: Congress should require natural gas pipeline operators to use the best available technology to capture gas released during routine operations and maintenance.

Recommendation: Congress should establish deadlines for pipeline operators to install automatic or remote-controlled shutoff valves in all areas and implement a leak detection and repair program. Natural gas gathering lines in populated areas and gathering lines of at least eight inches in rural areas should be subject to leak detection and repair requirements.

Recommendation: Congress should require natural gas pipeline operators to report and immediately repair any large loss event, such as a gas leak of or exceeding 50,000 cubic feet.

Recommendation: Congress should increase civil penalties for violations of federal safety laws and regulations.

Building Block: Provide Funding to Eliminate Methane Leaks from Natural Gas Distribution Lines Within 10 Years (page 201)

Recommendation: Congress should establish a program at DOE to provide funding for states to create incentives for leak detection, repair, and replacement of leak-prone natural gas distribution pipelines and to offset increased costs for low-income ratepayers. The goal should be to eliminate leaks from pipelines within 10 years. Before allocating federal funds, states should identify the communities most in need of gas infrastructure upgrades, including low-income communities with high energy cost burdens, and distribute funds according to those needs. Federal support for projects should be conditioned on recipients meeting strong labor standards (including Buy America/n and Davis-Bacon prevailing wage requirements), complying with all labor, environmental, and civil rights statutes, and signing community benefit agreements and project labor agreements, where relevant.

Ensure That Natural Gas Pipelines Do Not Harm the Climate, the Environment, and Communities (page 202-209)

Building Block: Require FERC to Consider the Climate Crisis and Other Impacts When Reviewing Pipeline Applications (page 202)

Recommendation: Existing law gives FERC the authority to consider the climate crisis in its analysis of public necessity and convenience. To ensure that FERC follows congressional intent, Congress should amend the Natural Gas Act to require FERC to consider all factors relevant to the public convenience and necessity, including upstream and downstream greenhouse gas emissions, community and landowner impacts, and market necessity on a long-term and regional basis.

Building Block: Ensure Landowners Receive Notice That Pipeline Developers Might Take Their Land (page 204)

Recommendation: Congress should amend the Natural Gas Act to require FERC to ensure that landowners in the broader geographic vicinity of a proposed pipeline receive actual notice of applications for Certificates of Public Convenience and Necessity. FERC should review and approve the proposed content and method of providing notice. Notices should provide clear instructions on how to intervene and the consequences of a failure to intervene. The minimum time allowed for initial intervention should be standardized.

Recommendation: Congress should amend the Natural Gas Act to require subsequent notice of any issuance of a Certificate of Public Convenience and Necessity that explains the process of judicial review.

Building Block: Give Landowners a Fair Chance to Challenge Pipeline Approvals in Court (page 205)

Recommendation: Congress should amend the Natural Gas Act and the Federal Power Act to allow FERC 60 days to act upon an application for a rehearing and issue a final agency action subject to judicial review. Congress should amend the Natural Gas Act to preclude pipeline developers from exercising the right of eminent domain or beginning construction, tree felling, and other ground disturbance until the 60-day time period has elapsed. Congress should clarify in the statute that if FERC does not issue a final agency action subject to judicial review within 60 days, the application will be deemed denied and will be treated as a final agency action subject to judicial review.

Building Block: Require Pipeline Developers to Obtain All Permits Before Seizing Land and Starting Construction (page 206)

Recommendation: Congress should amend the Natural Gas Act to preclude pipeline developers from exercising the right of eminent domain, tree felling, or other ground disturbance until they receive all necessary federal and state permits.

Recommendation: Congress should amend the Natural Gas Act to require that if a pipeline developer requests a material amendment to their existing certificate, they should obtain all necessary federal and state permits prior to exercising the right of eminent domain.

Building Block: Establish the Office of Public Participation and Consumer Advocacy at FERC (page 207)

Recommendation: Congress should reauthorize the Office of Public Participation and Consumer Advocacy at FERC to review and resolve barriers to public participation, and to provide intervenor funding before FERC and organizations with FERC-delegated authority.

Building Block: Reform FERC's Governance Structure to Facilitate Climate Action (page 208)

Recommendation: Congress should amend the quorum requirements in the Federal Power Act to clarify that if there are only four FERC Commissioners, no more than two may be from the same political party. If there are only three FERC Commissioners, they will constitute a quorum for no more than 180 days from the vacancy and only if no more than two are from the same political party.

Recommendation: Congress should require FERC Commissioners to outline the basis for any recusal in the docket record.

Curb Air and Water Pollution and Safely Dispose of Hazardous Waste From the Oil and Gas Industry (page 209)

Building Block: Eliminate Exemptions for the Oil and Gas Industry in Cornerstone Environmental Laws (page 209)

Recommendation: Congress should pass legislation to eliminate exemptions for oil and gas companies in the Clean Air Act, Clean Water Act, and Resource Conservation and Recovery Act.

Ensure That LNG Infrastructure Does Not Harm the Climate, the Environment, and Communities (page 210-211)

Building Block: Require DOE and FERC to Consider Climate Change and Other Impacts When Reviewing Applications for LNG Export Infrastructure (page 210)

Recommendation: Existing law requires consideration of lifecycle GHG emissions. To ensure that federal agencies follow congressional intent, Congress should amend the Natural Gas Act to require FERC and DOE to collectively consider all factors relevant to the public interest, including upstream and downstream greenhouse gas emissions, and community and landowner impacts

Building Block: Prohibit Pipeline Developers from Using Eminent Domain Authority for Pipelines Carrying Gas for Export (page 211)

Recommendation: Congress should amend the Natural Gas Act to prohibit a pipeline developer from exercising eminent domain authority for pipelines attached to LNG terminals where the primary purpose of the pipelines is to support the export of natural gas.

Make the Nation’s Pipelines More Resilient to Climate Impacts (page 211-212)

Building Block: Consider Climate Impacts in the Siting, Design, Repair, and Maintenance of Pipelines (page 211)

Recommendation: Congress should ensure that siting, design, repair, and maintenance standards for hazardous liquid and natural gas pipelines take climate risks into account and meet any federal flood and wildfire resilience standards.

Pillar 2: Drive Innovation and Development of Clean Energy and Deep Decarbonization Technologies

(page 213-236)

Support Technological Innovation to Drive Deep Decarbonization and U.S. Competitiveness

(page 214-225)

Building Block: Reauthorize and Update the Mission and Goals of DOE to Prioritize Decarbonization of the Energy Sector and Climate Change Mitigation (page 215)

Recommendation: Congress should update DOE’s authorization language to make decarbonization of the energy sector and climate change mitigation core pieces of DOE’s mission and to expand DOE’s goals to include resilience to climate change, competitiveness of U.S. clean energy manufacturing, energy workforce development, and energy equity and environmental justice. Every DOE program should seek to address these new goals in addition to the goals in existing statute.

Enable and Accelerate Financing for Climate Change Mitigation and Climate-Resilient Infrastructure

(pages 226-232)

Building Block: Establish a National Climate Bank to Help Finance Technologies for Emissions Reduction and Climate-Resilient Infrastructure (page 226)

Recommendation: Congress should establish a national climate bank to finance targeted deployment of clean energy and other decarbonization technologies and climate-resilient infrastructure. The climate bank should capitalize new and existing state and local green banks and finance its own projects. When financing projects, the national climate bank, as well as the state and local banks it capitalizes, should (1) prioritize environmental justice, frontline, and rural communities and communities most affected by the transition to a clean economy; (2) emphasize support for projects without clear revenue models or lacking significant returns, such as certain energy and climate-resilient infrastructure; and (3) focus efforts on using innovative financing techniques and structures and market development to fill financing gaps to drive deployment of already proven, commercialized technologies, rather than trying to finance first-of-a-kind commercial scale deployment.

Expose Climate-Related Risks to Private Capital to Shift Assets Toward Climate-Smart Investments (page 233-236)

Building Block: Require Publicly Traded Companies to Disclose Climate-Related Risks (page 233)

Recommendation: Congress should pass legislation to require public companies to report climate risks in their financial disclosures to the SEC. Congress should direct the SEC to update its guidance to provide clear and enforceable triggers for disclosure of climate-related physical, transition, and liability risks.

Recommendation: Congress should establish a federal advisory committee on sustainable finance to make recommendations to the SEC regarding the environmental, social, and governance metrics that the SEC should require issuers to disclose in their financial statements.

Recommendation: Congress should direct the SEC, in consultation with the Department of the Treasury and the Financial Stability Oversight Council (FSOC), to require that credit rating agencies disclose their methodologies for evaluating climate risk in assessing public finance issuers' capacities to protect critical assets, provide for public services, and maintain financial stability.

Building Block: Require the Federal Reserve to Identify and Manage Climate-Related Financial Risks (page 234)

Recommendation: Congress should direct the Federal Reserve and other federal financial regulators, as appropriate, to identify and mitigate climate-related risks of large financial institutions through a comprehensive macroprudential framework. These measures should include enhanced capital, stress testing, margin, portfolio limits, and divesture to address climate-related risks.

Building Block: Assess and Report on Climate Risks to Markets, Investors, and the Financial System (page 235)

Recommendation: Congress should direct FSOC to study climate risks to the financial system. FSOC should include a section in each FSOC Annual Report devoted to climate risk and financial stability and make administrative and legislative recommendations for further regulation to mitigate such risks throughout the financial system, including a broad range of financial activities and institutions. For example, FSOC should investigate the climate risks of smaller financial institutions, such as local banks, which could have acute risks from regional concentration of assets.

Pillar 3: Transform U.S. Industry and Expand Domestic Manufacturing of Clean Energy and Zero Emission Technologies

(page 236-283)

Focus Innovation and Commercialization in Technologies to Reduce Industrial Emissions

(page 240-248)

Building Block: Establish Targeted RDD&D Programs for Electrification and Low- and ZeroEmission Industrial Heat Technologies (page 243)

Recommendation: Congress should direct and fund DOE to support targeted innovation and deployment in technologies for industrial electrification, low- and zero-emission heat sources, and thermal storage. As part of this program, the new Office of Manufacturing and Industry should establish grants for research collaborations and consortia at industrial clusters to support pilot and demonstration projects of these technologies.

Building Block: Establish RDD&D Programs for Industrial Feedstocks and Alternative Materials With Lower Emissions and Net-Zero or Net-Negative Emissions (page 245)

Recommendation: Congress should establish targeted RDD&D programs to support innovation in industrial feedstocks and alternative materials with lower emissions and net-zero or net-negative emissions. These programs should address feedstocks for buildings and infrastructure, the chemical industry, and energy and advanced technologies. They should also consider the entire material lifecycle with regard to emissions reductions and other environmental impacts, including sustainable practices for renewable feedstocks, and prioritize innovation in materials efficiency.

Pillar 4: Break Down Barrier for Clean Energy Technologies

(page 284-287)

Align the Tax Code with a Net-Zero Goal and Eliminate Unnecessary Tax Breaks for Oil and Gas Companies (pages 285)

Recommendation: Congress should ensure that the U.S. tax code aligns with the national goal of achieving net-zero emissions by no later than 2050. As a start, Congress should repeal unnecessary tax breaks for the oil and gas industry.

The majority staff for the Select Committee offers the following principles for designing an effective and equitable carbon pricing system:

1. Congress should establish a carbon pricing system designed to achieve America's economywide greenhouse gas emissions reduction goal of net-zero by no later than 2050.
2. Congress should consider a carbon price as only one tool to complement a suite of policies to achieve deep pollution reductions and strengthen community resilience to climate impacts. Carbon pricing is not a silver bullet.
3. Congress should ensure that energy-intensive, trade-exposed domestic industries that are working to reduce pollution remain on a level playing field with foreign competitors that use dirtier technologies.
4. Congress should ensure low- and moderate-income households benefit from a national carbon price.

5. Congress should pair a carbon price with policies to achieve measurable air pollution reductions from facilities located in environmental justice (EJ) communities, which face chronic and acute health impacts from a legacy of industrial development in their neighborhoods.
6. Congress should respect states and localities that have led the nation in climate action, ensure that a national carbon price complements and builds on their programs, and apply the lessons learned from their experiences and other international approaches.
7. Congress should not offer liability relief or nullify Clean Air Act authorities or other existing statutory duties to cut pollution in exchange for a carbon price.

Pillar 5: Invest in America's Workers and Build a Fairer Economy

(page 288-299)

Create Jobs Through Conservation and Reclamation and Restoration of Coal Mines and Abandoned Wells (page 296-298)

Building Block: Invest in Orphaned Oil and Gas Well Reclamation and Remediation on Federal and Nonfederal Land (page 297)

Recommendation: Congress should establish a reclamation fund to remediate and reclaim orphaned oil and gas wells. This fund should provide funding for federal land management agencies to reclaim and restore orphaned wells on public lands and waters as well as for states, tribes, and territories to restore abandoned wells on state, private, tribal, and territorial lands. This program should establish strong reclamation standards for abandoned well sites both onshore and offshore and prioritize climate and biodiversity benefits.

Recommendation: BLM's inspection and enforcement program is responsible for ensuring safe and responsible resource development, including stopping methane leaks, spills, and unsafe drilling and mining practices. Congress should increase funding for BLM's inspection and enforcement efforts, which should include detecting and inventorying abandoned and orphaned wells on public lands. Congress should direct DOI to establish a database and maps of all identified wells and prioritize reclamation efforts. Additionally, Congress should provide funding to state and territorial oil and gas regulatory offices and agencies for inspection, enforcement, and detection efforts within their jurisdictions.

Pillar 6: Invest in Disproportionately Exposed Communities to Cut Pollution and Advance Environmental Justice

(page 300-312)

Ensure Meaningful Engagement and Consultation with Environmental Justice Communities (page 309-310)

Building Block: Strengthen the National Environmental Policy Act to Provide Additional Protections to Environmental Justice and Tribal Communities (page 309)

Recommendation: Congress should amend NEPA to require deeper analysis of the environmental and climate justice impacts of a proposed federal action, including cumulative pollution impacts, and facilitate an inclusive process for individuals in environmental justice and tribal communities.

Pillar 10: Protect and Restore America’s Lands, Waters, Ocean, and Wildlife

(page 428-502)

Protect and Conserve Large Landscapes and Biodiversity (page 429-436)

Building Block: Protect at Least 30% of All U.S. Lands and Ocean Areas by 2030, Prioritizing High Quality Conservation (page 429)

Recommendation: Congress should establish a national goal of protecting at least 30% of all U.S. lands and ocean areas by 2030, prioritizing areas with high ecological, biodiversity, and carbon sequestration value. Reaching this goal will require a comprehensive effort that involves working collaboratively with tribes, state governments, private landowners, and local communities. The Department of the Interior (DOI), in consultation with other land management agencies, should undertake a landscape-level evaluation, including the ocean, of priority conservation targets and consult with and increase funding for Landscape Conservation Cooperatives. This national 30x30 effort should also support and empower tribal nations and local communities, including environmental justice communities, early in the process to identify, develop, and implement strategies to protect and restore the natural places that are most essential and at risk, ensuring that this goal is achieved in a way that recognizes the geographic, social, and cultural diversity of the country. Congress should prioritize conserving designated lands and waters through high-value protection designations and avoid designations that keep lands and waters open to industrial and extractive uses. On lands, this 30x30 effort should include incentives for high-quality conservation on private lands; encourage cross-jurisdictional collaboration at a landscape level with states, tribes, and local governments; expand the number and size of national parks, national monuments, and national wildlife refuges on public lands; establish wildlife corridors; and protect wilderness-quality lands managed by the Bureau of Land Management (BLM) and the U.S. Forest Service (USFS). DOI and other land management agencies should maintain protective measures for current Wilderness Study Areas; these areas should be a priority for congressional wilderness designation. For the ocean, Congress should emphasize Marine Protected Areas (MPAs) such as marine reserves, fully protected marine reserves, marine preserves, and Marine National Monuments.

Recommendation: Congress should direct relevant federal agencies to develop a National Nature Assessment. This comprehensive and periodic report should provide policymakers and the public with clear and actionable information on the condition of America’s natural areas, wildlife, wildlife habitat, ocean health, watersheds and wetlands, and other natural systems. This National Nature Assessment should track and report on the nation’s progress toward meeting a 30x30 goal.

Recommendation: Under existing law, federal natural resource agencies already have a responsibility and ample authority to manage lands for climate change and prioritize conservation. However, the organic statutes for America’s natural resource agencies are decades old and were developed without the benefit of the current scientific understanding of human-caused climate change. Congress should review and, where applicable, update these laws to firmly and unequivocally establish that confronting climate change and conserving and restoring America’s natural systems – for the benefit of all communities – should be an essential mandate for all U.S. natural resource agencies.

Building Block: Fully and Permanently Fund the Land and Water Conservation Fund (page 431)

Recommendation: Congress should fully and permanently fund the Land and Water Conservation Fund as well as increase the program’s annual authorization and index it to inflation.

Building Block: Support the Efforts of Private Landowners to Conserve Natural Areas and Increase Financial Incentives for Private Land Conservation (page 433)

Recommendation: Congress should increase dedicated government funding for the purchase of conservation easements to protect private lands from development, increase wildlife habitat and connectivity, and increase the climate mitigation value and potential of those lands. This effort should include: (1) increasing funding for the Agricultural Conservation Easement Program (ACEP) to purchase additional acres of working land easements and provide additional technical assistance to landowners; (2) increasing funding for the Healthy Forest Reserve Program; (3) directing the U.S. Department of Agriculture (USDA) to prioritize the purchase of agricultural easements on lands managed for climate mitigation and biodiversity; (4) dramatically increasing dedicated funding levels for LWCF and DOI grants and programs to purchase conservation easements dedicated to pure conservation, climate, and biodiversity purposes, including migration corridors; (5) increasing tax benefits for landowners who opt to donate conservation easements to a land trust or government agency; and (6) expanding conservation easements to allow for instream water flow donations.

Lift Up America’s National Parks and Public Lands as Part of the Climate Solution
(page 437-439)

Building Block: Increase Funding for the National Park Service and Other Land Management Agencies to Lift Up America’s National Parks and Public Lands As Part of the Climate Solution
(page 437)

Recommendation: Congress should significantly increase funding for NPS, USFS, FWS, and BLM, including funding for construction, operations, and cyclical and deferred maintenance. This legislation should require that construction, operations, and maintenance in parks and on public lands prioritize climate mitigation, green infrastructure, and adaptation benefits. A portion of this funding should be set aside to make climate-smart improvements to infrastructure and management at national parks and other protected public lands, including energy efficiency

upgrades, procurements of zero-emission vehicles and infrastructure, zero waste initiatives, and shuttle transit options to reduce single occupancy vehicles.

Recommendation: Congress should direct the National Park Service to identify national parks landscapes eligible for native reforestation, reestablishment of native grasslands, and restoration of natural coastal infrastructure to maximize carbon storage and provide funding to carry out these projects.

Address the Biodiversity Crisis and Help Wildlife Adapt to Climate Change (page 439-443)

Building Block: Establish a Wildlife Corridor and Connectivity System to Conserve Natural Spaces and Help Wildlife Adapt to the Impacts of Climate Change (page 439)

Recommendation: Congress should direct DOI to establish and maintain a national wildlife corridor and connectivity system, including highway and road crossings, on federal lands and waters. DOI should also consult with tribes to enhance habitat connectivity on tribal lands, and Congress should establish a tribal wildlife corridor fund to provide funding for this effort. Additionally, Congress should develop a grant program for migration corridors on nonfederal land and establish regional councils to develop migration plans on a regional level. Any legislation to develop a national wildlife corridor and connectivity system should establish a commission to research, study, and develop a wildlife riparian connectivity network, as well as conduct research to map the path of species both today and in the future as climate change forces habitats, ecosystems, and corridors to shift and shrink.

Building Block: Develop and Implement a National Landscape Conservation Strategy to Help Species Adapt to a Changing Climate (page 441)

Recommendation: Congress should establish an interagency working group led by DOI and FWS to develop and implement a national landscape conservation strategy to plan for the long-term survival and adaptation of species in the face of a changing climate. As a part of this strategy, the land management agencies should identify lands that are essential to wildlife conservation and achieving the goal of protecting 30% of U.S. lands and ocean areas by 2030. In addition to habitat conservation and connectivity, this national strategy should include conservation and recovery plans for at-risk species that will be unable to shift to new locations as temperatures rise, such as island and mountain species. Finally, this strategy should coordinate conservation and climate resilience programs from agencies across the federal government that collectively can produce the connectivity, conservation, and habitat restoration necessary to provide species protection.

Building Block: Improve Implementation of the Endangered Species Act to Protect Endangered and Threatened Species from the Impacts of Climate Change (page 443)

Recommendation: Congress should require that federal agencies consider climate change as a factor in listing and delisting decisions; incorporate climate change considerations in ESA documents and plans; and address the threat of climate change in critical habitat designations and recovery actions. To address the growing need of consultations, Congress should direct DOI

to hire enough biologists, ecologists, and National Environmental Policy Act (NEPA) staff to properly evaluate species' needs in a timely manner and propose recovery solutions as well as provide adequate funding to achieve this goal. Congress also should increase funding for the Cooperative Endangered Species Conservation Fund, which provides funding to states and territories for a variety of conservation projects for candidate, proposed, and listed species, as well as increase funding for federal species recovery initiatives by expanding the FWS Ecological Services budget and the National Oceanic and Atmospheric Administration (NOAA) Protected Resources Science and Management budget.

Recommendation: Congress should repeal the Trump administration 2019 rules that weakened the Endangered Species Act.

Protect and Restore Forests and Grasslands (page 444-463)

Building Block: Incorporate Climate Mitigation and Resilience into the Forest Service's "Multiple Use" Policy and Planning (page 444)

Recommendation: Congress should amend MUSYA and the National Forest Management Act to more directly emphasize climate mitigation and resilience as part of the Forest Service's multiple use mission and planning. Additionally, Congress should direct USFS to require that all forest plans, projects, and associated NEPA analysis consider the impacts of forest management actions on the long-term sequestration of carbon and climate mitigation.

Building Block: Ensure That All Categorical Exclusions from NEPA Are Informed by Science and Developed by Agency Experts (page 453)

Recommendation: Congress should ensure that categorical exclusions are science-informed, consider climate impacts, and are developed by agencies' experts, not legislatively for political purposes.

Make Public Lands and Waters a Part of the Climate Solution (page 479-502)

Reduce Greenhouse Gas Pollution from Public Lands and Waters (page 479-487)

Building Block: Incorporate Climate Mitigation and Conservation into the BLM Multiple-Use Policy and Other Public Land and Water Agencies (page 478)

Recommendation: Congress should update FLPMA's multiple-use mission to reflect the current and future needs of the country by incorporating climate mitigation and resilience into the BLM multiple-use mission and directing BLM to conserve and restore America's public lands for the benefit of all communities, to transition to a clean energy future, and to help protect the nation against the impacts of climate change. This legislation should require that all BLM land use planning consider the impacts of land use management actions on greenhouse gas emissions and climate change mitigation. Congress should amend other major governing statutes for public land and water agencies, such as the Outer Continental Shelf Lands Act, to explicitly

incorporate climate mitigation and resilience, greenhouse gas emissions reductions, and renewable energy production as priorities.

Building Block: Achieve a Goal of Net-Zero Emissions on Public Lands and Waters by 2040 at the Latest (page 480)

Recommendation: Congress should establish a national goal to achieve net-zero emissions on public lands and waters by 2040 at the latest, including ambitious interim target goals. To achieve this goal, Congress should direct DOI and USFS, in consultation with other natural resource agencies, to develop and publish a comprehensive public lands climate plan, using all available authorities and resources within their jurisdictions, including reducing fossil fuel extraction, investigating retirement and buyouts of existing leases, investing in conservation and restoration of natural landscapes, and accelerating responsibly sited clean energy deployment. This legislation should require that DOI and USFS publish the written strategy every two years, which should include plans, actions, and progress reports to reduce net emissions and meet the reduction targets. Congress should also direct the land management agencies to update their goals periodically to reflect changes in fossil fuel demand and production due to other recommendations in this report. This legislation should establish an office within DOI dedicated to overseeing and enforcing the implementation of programs to achieve a goal of net-zero emissions.

Building Block: Prioritize Reductions of Greenhouse Gas Emissions and Co-Pollutants That Affect Environmental Justice Communities (page 481)

Recommendation: Congress should direct federal land management agencies to prioritize reducing greenhouse gas emissions and co-pollutants that will affect environmental justice communities and ensure that any actions taken to meet a goal of net-zero emissions on public lands and waters do not result in a net increase of co-pollutant emissions or have any other disparate impacts on environmental justice communities. To help achieve this policy objective, federal land management agencies should implement an inclusive stakeholder process that solicits early input and feedback from representatives living in environmental justice communities.

Building Block: Enact a Moratorium on New Fossil Fuel Leases on Public Lands and Implement Robust Economic Transition Initiatives (page 482)

Recommendation: Congress should implement a moratorium on all new onshore fossil fuel leases, including lease sales for coal, oil, and gas, on public lands, for one year and until DOI develops a comprehensive public lands climate plan, which includes a determination that additional leasing is not inconsistent with achieving net-zero emissions on public lands by 2040 at the latest. To ensure that communities are not left behind, the moratorium should be accompanied by meaningful economic transition assistance and initiatives for states, localities, and workers that have been dependent on fossil fuel extraction on public lands for jobs and revenues. The subsection below titled “Invest in State and Local Communities in Economic Transition” provides more detail on the potential shape of that transition assistance.

Building Block: Prohibit New Offshore Oil and Gas Leasing (page 483)

Recommendation: Congress should prohibit any new offshore oil and gas leasing in any region of the Outer Continental Shelf. Additionally, Congress should codify and strengthen drilling safety standards for existing wells, prohibit high-intensity seismic testing in any region of the Outer Continental Shelf outside of those areas that were available for sales in the 2017-2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program, implement reporting requirements for failures of critical safety systems, improve monitoring of pollution near wells, and strengthen bonding and reclamation requirements for all offshore oil and gas development.

Recommendation: Congress should prohibit funding R&D programs for the commercial development of methane hydrates for natural gas.

Building Block: Reduce Methane Pollution from Oil and Gas Production on Public Lands (page 484)

Recommendation: Congress should reinstate the BLM methane waste prevention rule. In the section of this report titled “Plug Leaks and Cut Pollution from America’s Oil and Gas Infrastructure,” this report establishes a national methane pollution reduction standard.

Building Block: Direct DOI to Track, Measure, and Report Emissions and Oil and Gas Production from Public Lands and Waters to Guide Federal Decision-Making (page 485)

Recommendation: Congress should direct DOI to track, measure, and report production and greenhouse gas emissions from public lands and make those findings publicly available. This legislation should include a requirement that companies with fossil fuel leases on public lands use industry best practices to record and report emissions from activities on the leased parcel and end use combustion of the coal, oil, or gas produced. Congress should require DOI to disclose such data to Congress and the public. Congress should invest in a new and user-friendly interface system to allow DOI to track emissions, make them available to the public, and integrate data with decision-making. DOI should consult and coordinate with EPA to ensure this reporting system complements the EPA Greenhouse Gas Inventory.

Building Block: Eliminate the Requirement That BLM Hold Lease Sales Quarterly and Shorten the Length of Lease Terms (page 486)

Recommendation: Congress should amend the MLA to eliminate the language regarding quarterly lease sales. Additionally, Congress should shorten lease terms from 10 years to five years or less. When the initial term of the lease expires, oil and gas companies should bear the burden of proving the need for extension and showing they are diligently seeking to develop and produce oil and gas on the parcel under lease. If the company fails to prove that an extension is warranted after the initial lease term, the lease term should be terminated.

Expand Protections for Wild and Special Places (page 489-490)

Building Block: End Drilling and Mining in Important Habitat Onshore and Offshore (page 489)

Recommendation: Congress should restore the 2015 National Greater Sage-Grouse Planning Strategy and its original implementing guidance. Any legislation to protect the greater sage-grouse should include repealing the FY2015 appropriations rider prohibiting FWS from writing and issuing rules related to the sage-grouse, effectively preventing the ability to provide the species protection under the ESA. Additionally, Congress should direct DOI to study how drilling and mining on public lands interferes with species habitat, migration, and survival and implement a strategy to minimize harm to wildlife to the maximum extent possible, including restricting drilling and mining in wildlife migration corridors.

Recommendation: Congress should restore protections rescinded by the Trump administration for migratory birds by amending the Migratory Bird Treaty Act to affirm that the prohibition on the unauthorized take or killing of migratory birds includes incidental take by commercial activities.

End Unfair Government Subsidies for Oil and Gas Production on Public Lands (page 491-496)

Building Block: Eliminate Unnecessary Tax Breaks for Oil and Gas Companies (page 491)

Recommendation: Congress should ensure that the U.S. tax code aligns with the national goal of achieving net-zero emissions by no later than 2050. As a start, Congress should repeal unnecessary tax breaks for the oil and gas industry.

Building Block: Reform the Onshore Oil and Gas Royalty System to Increase the Royalty Rate and End Handouts for Fossil Fuel Companies (page 491)

Recommendation: Although DOI has the legislative authority to raise royalty rates without congressional intervention, Congress should direct DOI to increase onshore oil and gas royalty rates from 12.5% to no less than 18.75% with flexibility for the Secretary of the Interior to establish higher royalty rates as appropriate to guarantee a fair return to taxpayers.

Building Block: Reform the Offshore Oil and Gas Royalty System and Close Loopholes for Oil and Gas Companies (page 492)

Recommendation: Unless and until the prohibition on new offshore oil and gas leasing and development takes effect, Congress should amend OCSLA to implement a royalty rate of no less than 18.75% for all offshore oil and gas production, regardless of water depth. Additionally, Congress should end royalty relief for offshore development, including repealing the loophole in the Deepwater Royalty Relief Act that has allowed fossil fuel companies to avoid paying offshore oil and gas royalties.

Building Block: End Noncompetitive Oil and Gas Leasing on Public Lands (page 493)

Recommendation: Congress should eliminate noncompetitive leasing.

Building Block: Increase Minimum Bid Requirements and Rental Rates for Both Competitive and Noncompetitive Oil and Gas Leases (page 494)

Recommendation: Congress should increase minimum bid requirements to at least \$5 per acre and rental rates to at least \$3 per acre in the first five years and \$5 per acre thereafter. This legislation should direct DOI to increase the national minimum acceptable bid every four years and at any time the Interior Secretary finds that a higher amount is necessary to improve the management of oil and gas resources on federal lands.

Building Block: End Speculative Leasing and Anonymous Industry Nominations and Adopt a Comprehensive Planning Process (page 495)

Recommendation: Congress should require companies that nominate lands for oil and gas leasing and bid on leases to disclose their identities, as well as pay a fee to nominate lands for leasing.

Recommendation: Congress should prohibit oil and gas leasing on public lands that BLM determines have low or no potential for oil and gas development and direct BLM to reprioritize these lands for other uses, including wildlife conservation and connectivity, climate mitigation and resilience, cultural resource protection, outdoor recreation, and clean energy development.

Recommendation: For existing leases and until the prohibition of speculative and noncompetitive leasing goes into effect, Congress should establish a retirement program for low-potential leases and parcels that were leased noncompetitively and remove these parcels from future leasing plans.

Recommendation: Congress should direct BLM to manage any nonproducing leased parcel without proposed oil and gas activity for multiple uses, such as recreation and conservation.

Recommendation: Congress should reinstate the requirement for DOI to adopt and implement a master leasing plan to better manage oil and gas leases on public lands and protect lands where drilling interests conflict with other uses.

Establish and Maintain Robust Environmental Review, Requirements, and Restoration (page 496-500)

Building Block: Require Robust Environmental Review and Safeguards for Oil and Gas Leasing and Production (page 496)

Recommendation: Congress should restore robust environmental review under NEPA for oil and gas leasing by codifying sections of the Obama administration's BLM Instruction Memorandum No. 2010- 117, including a requirement that all lease sales have parcel-specific NEPA compliance. To ensure compliance with existing environmental rules and safeguards, Congress should direct DOI to hire sufficient staff for enforcement, inspection, and compliance and provide adequate funding to support this directive.

Recommendation: Congress should require oil and gas operators on public lands to conduct baseline water testing and public disclosure, submit a water management plan to BLM, and replace water supplies when oil and gas operations negatively affect water quality or quantity.

Building Block: Restore Public Participation and Comment in Oil and Gas Leasing Decisions
(page 497)

Recommendation: Congress should restore robust public participation in oil and gas leasing decisions and provide protections for surface landowners.

Building Block: Increase Oil and Gas Bonding and Fees to Hold Industry Accountable for Cleanup and Reclamation and End Self-Bonding in the Coal Industry (page 498)

Recommendation: Congress should increase the amount of the bonds that oil and gas developers must post before being allowed to drill on public land, incorporate consideration of the number of wells on each bond and their characteristics, and mandate that bond amounts be indexed to inflation on a continuing basis. Additionally, Congress should require oil and gas companies to develop interim and final reclamation plans for any oil and gas wells on public land.

Recommendation: Congress should establish an annual fee on oil and gas wells that have not been in production for one or more years and have not been permanently plugged and remediated. The fee should sufficiently incentivize operators to timely and permanently close and remediate idle wells.

Recommendation: Congress should pass legislation to end self-bonding in the coal industry, increase bonds to meet the cost of remediation in present dollars, and regulate other forms of bonding to prevent abuse.

Building Block: Invest in Orphaned Oil and Gas Well Reclamation and Remediation on Federal and Nonfederal Lands (page 499)

Recommendation: Congress should establish a reclamation fund to remediate and reclaim orphaned oil and gas wells. This program should provide funding for federal land management agencies to remediate and reclaim orphaned wells on public lands and waters as well as for states, tribes, and territories to remediate and reclaim orphaned wells on state, private, tribal, and territorial lands. Additionally, this program should establish strong reclamation standards for abandoned well sites both onshore and offshore and prioritize climate and biodiversity benefits.

Recommendation: BLM's inspection and enforcement program is responsible for ensuring safe and responsible resource development, including stopping methane leaks, spills, and unsafe drilling and mining practices. Congress should increase funding for BLM's inspection and enforcement efforts, which should include detecting and inventorying abandoned and orphaned wells on public lands. Congress should direct DOI to establish a database and maps of all identified wells and prioritize reclamation efforts. Additionally, Congress should provide funding to state and territorial oil and gas regulatory offices and agencies for inspection, enforcement, and detection efforts within their jurisdictions.

Invest in State and Local Communities in Economic Transition (page 500-502)

Building Block: Assist Historically Fossil Fuel-Dependent States, Communities, and Workers During the Economic Transition (page 500)

Recommendation: Congress should provide financial and technical assistance to states, communities, and workers in order to transition away from fossil fuel extraction on public lands.

This transition assistance should include:

- (1) establishing a transition fund, using revenues and fees from fossil fuel extraction on public lands, for economic development and transition initiatives for states, communities, and workers;
- (2) providing energy-producing states the option of a buyout, in which the federal government offers these states a one-time cash payout based on projected revenues from future oil and gas extraction on federal lands located within the state over a specified number of years and, in exchange, all future leasing and production revenue generated on public lands in that state would be directed to the federal government;
- (3) for states that do not opt for a buyout, developing a state fund matching program in which states have the option to deposit revenues from existing fossil fuel extraction activity into a “rainy day” fund, which the federal government would match, to aid in the transition away from fossil fuel development;
- (4) prioritizing renewable energy development, forest and natural space restoration, and carbon sequestration projects on federal lands in states that have the most fossil fuel extraction on public lands; and
- (5) directing the relevant federal agencies to provide technical assistance to communities in developing plans to transition local economies away from fossil fuel extraction on public lands and waters.

Asses the True Value of Federal Climate Action

(page 530-533)

Building Block: Direct the Executive Branch to Consider the True Cost of Carbon Pollution in Federal Rulemakings (page 530)

Recommendation: Congress should direct the next administration to reconstitute an interagency working group to develop a new Social Cost of Carbon (SCC) that reflects the best available climate science; acknowledges that U.S. greenhouse gas emissions have a global impact; and factors in the impact of current policy on the future generations that will bear the brunt of unmitigated climate change. The working group should consult with external stakeholders that have been reviewing and refining the SCC, including the National Academies of Science, Engineering, and Medicine¹⁶⁸⁸ and Resources for the Future.

Building Block: Develop Methodologies for Considering the Fiscal and Economic Impacts of Proposed Legislation Related to Climate Risk (page 531)

Recommendation: Congress should support expanding CBO’s capacity to model and analyze the fiscal and economic effects of major climate risk impacts expected from proposed legislation,

including potential savings from avoided costs and reduced risks associated with federal resilience investments.

Building Block: Modernize OMB Guidance to Agencies for the Evaluation of Climate Impacts
(page 532)

Recommendation: Congress should direct OMB to consider climate impacts and risks, including flooding, wildfire, tropical storms, and extreme heat, in the development and evaluation of federal programs and regulations, and to update guidance to agencies on the development of regulatory analyses. Federal benefit-cost analyses should evaluate the exposure of federal investments and assets to climate impacts, as well as how federal action can increase or reduce climate impacts.