



# A Blueprint for Balance

## Protecting America's Public Lands for Future Generations Amid the Energy Boom

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# Introduction and summary

The United States is riding a wave of expanded oil and gas production that exceeds even the most bullish projections made just five years ago. U.S. dependence on foreign oil has dropped to its lowest level in 20 years, thanks to technologies that have unlocked new supplies and the Obama administration’s “all-of-the-above” energy strategy. U.S. natural-gas production is at an all-time high, while domestic oil production has increased every year since 2008.<sup>1</sup> The International Energy Agency now estimates that by the end of the decade, the United States will surpass Saudi Arabia as the world’s largest oil producer.<sup>2</sup>

But along with this boom comes major policy challenges, and we must learn from policymakers’ mistakes in other industries. The signs of a technology bubble, a housing collapse, or a financial crisis seem clear in hindsight, yet when it matters most—when stocks are rising and profits are surging—Washington rarely takes the actions needed to translate a frenzied boom into strong, sustainable growth.

The most important question facing the oil and gas industry, policymakers, and stakeholders is not whether the United States can continue to expand domestic oil and gas production in the near to mid-term but how it will do so in a manner that is economically sustainable, environmentally sound, and publicly supported. In particular, the stability and longevity of the oil and gas boom hinges on whether the Obama administration and Congress can adequately address carbon pollution, air pollution, and water pollution; growing public distrust of hydraulic-fracturing practices; prevention and preparedness for catastrophic oil spills; worker-safety concerns; revenue collection on behalf of taxpayers; loss of open space and wild-life habitats; and other health, safety, and quality-of-life issues.

This report focuses on the challenges and opportunities that the oil and gas boom poses for America’s public lands, where oil production is at its highest level in more than a decade and 38 million acres of taxpayer land are under lease to oil and gas companies for drilling.<sup>3</sup> For many communities, this kind of development is not new; oil and gas companies, after all, have been drilling on western public

lands for decades. The current oil and gas boom, however, has pushed drill rigs to the edge of, and in many cases into, local communities, prized hunting habitats, national parks, and watersheds that provide drinking-water supplies. As a result, business owners, city councils, county commissions, sportsmen, and citizens from across the political spectrum are expressing growing concern over the reality that without wiser policies, better planning, and stronger oversight from regulators, the oil and gas boom will cost them their way of life and the lands, water, and wildlife they want to protect for future generations.

Tensions over oil and gas drilling in the West have been fueled in part by federal policies that in recent years have favored oil and gas development over other more popular uses such as the protection of lands for hunting, fishing, and hiking. The Obama administration, for example, has been leasing public lands for oil and gas development more than 2.5 times faster than it is protecting them as parks, wilderness, and national monuments. This is out of step with past presidents, who have conserved as much public land as they have leased. What's more, the last Congress was of no help: It became the first Congress since World War II not to protect a single new acre of public land as a national park, wilderness, wildlife refuge, or monument. As former Secretary of the Interior Bruce Babbitt recently observed, "Our public land conservation consensus has fractured and collapsed."<sup>4</sup>

In this report, we outline steps the Obama administration can take to correct the balance between the protection of public lands for future generations and oil and gas drilling. Doing so will help steer growing oil and gas development on public lands onto a safe, sustainable, and responsible path that benefits taxpayers, the industry, and the natural resources with which America has been gifted. In particular, our recommendations aim to fulfill five main goals:

1. Protect public lands for future generations.
  - Create new national monuments.
  - Establish new national wildlife refuges.
  - Identify and advance local communities' land-conservation priorities.
  - Push Congress to pass land-conservation legislation.
2. Promote and expand outdoor recreation as an economic engine.
  - Incorporate economic measures of outdoor recreation into land-management decisions.



- Prioritize the protection and expansion of outdoor recreational opportunities near population centers.
- Protect backcountry recreational opportunities.

### 3. Provide taxpayers a fair return.

- Increase federal royalty rates to provide a fairer return for taxpayers.
- Increase rental rates to encourage diligent development.
- Update the Bureau of Land Management's, or BLM, rules for measuring oil and gas that comes out of the ground.

### 4. Pay back the land

- Establish a mitigation fee to help offset the impacts of drilling.
- Dedicate a portion of revenues from oil and gas development on public land to a new conservation fund.

### 5. Drill the right way and in the right places.

- Fully implement 2010 oil and gas leasing reforms.
- Issue a secretarial order that clarifies the role of conservation values in oil and gas planning.
- Give priority to drilling proposals in low-conflict areas or areas that conserve land.
- Implement rules for fracking on public lands

Taken together, these goals and our recommendations for meeting them will boost America's outdoor recreation and tourism economy, enhance certainty for industry, and give local communities and taxpayers a greater voice and a fairer stake when it comes to drilling on our public lands.

The ideas in this report build on reforms that the Obama administration began in its first term, including improvements to the Bureau of Land Management's oil and gas leasing process; landscape-wide planning for renewable-energy development; and a greater emphasis on protecting sensitive lands from drilling. Although the administration has moved land-management policy in the right direction, the scale of the energy boom—and the risks of not handling it right—demand a redoubled commitment to reform and aggressive steps to protect public lands for public use. With so much at stake, it is in everyone's interest to ensure that the protection of public lands for future generations rests on equal ground with the extraction of oil and gas resources.

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