

TRANSPARENCY IN ENERGY PRODUCTION ACT OF 2021

DECEMBER 14, 2022.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GRIJALVA, from the Committee on Natural Resources,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 1506]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1506) to provide for the accurate reporting of fossil fuel extraction and emissions by entities with leases on public land, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Transparency in Energy Production Act of 2021”.

SEC. 2. DISCLOSURE REQUIREMENTS.

(a) REPORT REQUIRED FOR AN ENTITY SEEKING A LEASE.—The Secretary concerned shall require any entity seeking a lease to develop covered operations on public land or Indian land to submit to the Secretary concerned a report, at the time of submission of a bid to develop covered operations. Such report shall—

(1) make the disclosures described in the Sustainable Accounting Standard for the Extractives and Minerals Processing Sector and the Renewable Resources and Alternative Energy Sector in effect on the date the report is filed (that is produced by the Sustainability Accounting Standards Board) for the covered operations developed by the entity and in effect at the date of such bid; and

(2) disaggregate the information in paragraph (1) by State and by type of covered operation.

- (1) make the disclosures described in the Sustainable Accounting Standard for the Extractives and Minerals Processing Sector and the Renewable Resources and Alternative Energy Sector in effect on the date the report is filed (that is produced by the Sustainability Accounting Standards Board); and
- (2) disaggregate the information in paragraph (1) by State and by type of covered operation.
- (c) FAILURE To COMPLY.—If the Secretary concerned determines that an entity did not meet the requirements of subsection (a), the Secretary concerned—
 - (1) may not issue to such entity a lease for a covered operation; and
 - (2) may suspend a lease for a covered operation held by such entity.

SEC. 3. ONLINE PUBLICATION OF DISCLOSURE.

The Secretary concerned shall make the information reported under section 2 available to the public on an internet website in a machine readable format.

SEC. 4. REPORT TO CONGRESS.

Not later than 2 years after the date of the enactment of this Act and every 2 years thereafter, the Secretary concerned shall submit a report to Congress that includes—

- (1) with respect to covered operations, the annual and 2-year totals of greenhouse gas emissions, air quality, water management, biodiversity impacts, production, and number of sites according to the metrics described in the Sustainable Accounting Standard for Oil and Gas Exploration and Production in effect on the date the report is filed (that is produced by the Sustainability Accounting Standards Board) for covered operations on public land or Indian land; and
- (2) the changes in the information in paragraph (1);
- (3) the projected future changes for 5, 10, and 25 years;
- (4) for renewable energy operations, an estimate of the greenhouse gas emissions that would result from production of the same amount of energy using fossil fuels and water management, including water use, biodiversity impacts, production, number of sites, and acres including associated transmission lines;
- (5) the emission produced during the construction of solar panels and wind turbines that would be used for renewable energy operations;
- (6) a determination as to whether the materials or labor for the construction of solar panels and wind turbines used for renewable energy operations would be sourced from the Xinjiang Autonomous Region in China;
- (7) the environmental impacts of the decommissioning and disposal of renewable energy products and electronic waste, including batteries, solar panels, and products that have exceeded their life cycle;
- (8) with respect to lands on which covered operations occur, the annual and 2-year totals of greenhouse gas emissions, air quality, water management, and biodiversity impacts of catastrophic wildfires, the number of acres identified as being at high or very high risk of wildfire, and the number of acres in need of treatment or fuels reduction activities; and
- (9) an assessment of the environmental and human rights impacts in the production of renewable energy products for the lifecycle of such products, including such impacts from source materials for and the disposal of such products.

SEC. 5. DEFINITIONS.

In this Act—

- (1) the term “covered operation” means—
 - (A) any renewable energy operations;
 - (B) any fossil fuel operation; and
 - (C) any operation using any right-of-way or special use permit that would cross public lands, Indian lands, or national forests that would facilitate fossil fuel development;
- (2) the term “fossil fuel” means oil, natural gas, natural gas liquids, coal, and any derivative of these that is used for fuel;
- (3) the term “Indian land” has the meaning given such term in section 2601(2) of the Energy Policy Act of 1992 (25 U.S.C. 3501(2));
- (4) the term “public land” means any land, interest in land, or submerged land owned by the United States;
- (5) the term “renewable energy” means a project carried out on public land or Indian land that uses wind, solar, geothermal, wave, current, tidal, or ocean thermal energy to generate electricity; and
- (6) the term “Secretary concerned” means—
 - (A) the Secretary of the Interior, with respect to public lands and Indian lands; and
 - (B) the Secretary of Agriculture, with respect to National Forest System land.

SEC. 6. EFFECTIVE DATE.

This Act shall take effect 180 days after the date of enactment of this Act.

PURPOSE OF THE BILL

The purpose of H.R. 1506 is to provide for the accurate reporting of fossil fuel extraction and emissions by entities with leases on public land.

BACKGROUND AND NEED FOR LEGISLATION

The Mineral Leasing Act¹ (MLA) of 1920 authorizes the U.S. Department of the Interior (DOI) to lease the rights to develop oil and gas resources on public land. The Bureau of Land Management (BLM) within DOI is the federal agency responsible for managing oil and gas resources on U.S. public land. The BLM administers more than 247 million acres of land and 700 million acres of subsurface mineral estate. The U.S. Forest Service (USFS) cooperates with BLM in coordinating access to federal oil and gas resources on approximately one-third of the over 150 national forests and grasslands. Most onshore public oil and gas resources are located and developed in the western United States, particularly California, Colorado, New Mexico, Utah, and Wyoming.

According to a 2018 report from the U.S. Geological Survey, nearly a quarter of U.S. carbon emissions come from fossil fuel development on federal lands and waters.² Despite this high impact, the federal government does not currently track emissions from federal land.

To increase transparency and accountability, H.R. 1506 would provide agencies and the American public with a centralized, publicly accessible database for all data related to federal oil, natural gas, and coal. The legislation would require any entity holding a lease for a renewable energy or fossil fuel project on federal or tribal lands or in federal waters or any entity seeking to develop a renewable energy or fossil fuel project on public lands and waters, to submit a report to the Secretary of the Interior disclosing a variety of impacts associated with the project, including information about greenhouse gas emissions, local air pollutants, water use, biodiversity impacts, hazardous waste management, use of critical materials, and workforce metrics.

Each report must disclose the information in the standards published by the Sustainability Accounting Standards Board (SASB), an independent nonprofit organization founded in 2011 to develop and distribute industry-specific sustainability accounting standards. SASB was modeled on the Financial Accounting Standards Board, a similar nonprofit that has been setting accounting standards for public companies in the U.S. for nearly 40 years. The information disclosed under SASB standards is intended to be useful for decision-making by investors. Each entity that submits a report must make the information available to the public online. The bill also requires the Secretary of the Interior to transmit a report to

¹ Act of Feb. 25, 1920, ch. 85, 41 Stat. 437, <http://uscode.house.gov/statviewer.htm?volume=41&page=437> (codified as amended at various, see http://uscode.house.gov/table3/1920_85.htm) (statutory compilation as amended through P.L. 117-169 at <https://www.govinfo.gov/content/pkg/COMPS-8336/pdf/COMPS-8336.pdf>).

² Federal Lands Greenhouse Gas Emissions and Sequestration in the United States. *Department of the Interior, U.S. Geological Survey*, 2018 <https://pubs.usgs.gov/sir/2018/5131/sir20185131.pdf>.

Congress every two years that summarizes the submitted information and details any significant or projected future changes. The table below lists the various SASB standards that industries must report under H.R. 1506.

Table 1. Required Disclosure Topics and Accounting Metrics for Public Land Operations.

	Coal	Oil & Gas	Solar	Wind
Greenhouse Gas Emissions: Percentage covered under emissions-limiting regulations; long-term/short-term strategy to manage emissions; emissions targets	✓	✓		
Air Quality: Nitrogen oxides, sulfur oxide, VOCs, and particulate matter		✓		
Water Management: Freshwater withdrawn and consumed; location of regions with water stress; volume of produced water and flowback, etc.	✓	✓		
Biodiversity Impacts: Description of env. management policies and practices used for active sites; spill data; overlap with endangered species habitat, etc.	✓	✓		
Waste Management: Number of tailings impoundments, broken down by MSHA hazard potential	✓			
Water Management in Manufacturing: Water withdrawn; water consumed; description of water management risks and strategies to mitigate risks			✓	
Energy Management in Manufacturing: Total energy consumed; percentage grid; percentage renewables			✓	
Hazardous Waste Management: Amount of hazardous waste generated, recycled; data on spills and quantity recovered			✓	
Ecological Impacts of Project Development: Project delays associated with ecological impacts; description of efforts to address ecological/community impacts			✓	✓
Security, Human Rights, Indigenous Peoples: proven/probable reserves in or near areas of conflict and indigenous land; discussion of engagement process with respect to human rights, indigenous rights	✓	✓		
Management of Energy Infrastructure Integration: Description of risks associated with integration of solar energy into existing energy infrastructure			✓	
Materials Sourcing: Description of the management of risks associated with the use of critical materials			✓	✓
Materials Efficiency: Top five materials consumed; description of approach to optimize materials efficiency of wind turbine design				✓
Product End-of-Life Management: Percentage of products sold that are recyclable or reusable; description of strategies to design products for high-value recycling			✓	
Community Relations: Discussion of process to manage risks and opportunities associated with community rights and interests	✓	✓		
Labor Relations: Percent of active workforce covered under collecting bargaining agreements; number and duration of strikes and lockouts	✓			
Workforce Health & Safety: Recordable incident rate; fatality rate; near miss frequency; average hours of health, safety, and emergency response training.	✓	✓		✓
Reserve Valuation: Sensitivity of reserve levels to future price projection scenarios; estimated carbon dioxide emissions embedded in reserves	✓	✓		
Business Ethics & Transparency: Overlap of reserves with countries that rank low on corruption index; description of strategies to prevent corruption across value chain		✓		
Management of Legal and Reg. Environment: Corporate positions related to proposals that address environmental and social factors affecting the industry		✓		
Critical Incident Risk Management: Management systems used to identify and mitigate catastrophic and tail-end risks		✓		
Production and Generation Data: Quantity of coal; quantity oil/gas; capacity of P.V. modules and completed solar systems; number of turbines; capacity of delivered wind	✓	✓	✓	✓

COMMITTEE ACTION

H.R. 1506 was introduced on March 2, 2021, by Representative Alan Lowenthal (D-CA). The bill was referred to the Committee on Natural Resources, and in addition to the Committee on Agriculture. Within the Natural Resources Committee, the bill was referred to the Subcommittee on Energy and Mineral Resources. On May 5, 2021, the Natural Resources Committee met to consider the bill. The Subcommittee was discharged by unanimous consent. Rep. Lowenthal offered an amendment designated Lowenthal #1. The amendment was agreed to by a roll call vote of 23 yeas and 15 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES
117TH CONGRESS — ROLL CALL**

Bill / Motion: H.R. 1506

Amendment: Rep. Lowenthal #1 amendment

Disposition: Agreed to by a roll call vote of 23 yeas and 15 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA	X		
2	Mr. Case, HI	X		
3	Mr. Cohen, TN	X		
4	Mr. Costa, CA	X		
5	Ms. DeGette, CO	X		
6	Mrs. Dingell, MI	X		
7	Mr. Gallego, AZ	X		
8	Mr. Garcia, IL	X		
9	Mr. Grijalva, AZ (Chair)	X		
10	Mr. Huffman, CA	X		
11	Ms. Leger Fernández, NM	X		
12	Mr. Levin, CA	X		
13	Mr. Lowenthal, CA	X		
14	Ms. Matsui, CA	X		
15	Ms. McCollum, MN	X		
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA	X		
18	Mr. Neguse, CO			
19	Ms. Porter, CA	X		
20	Mr. Sáenz, MP	X		
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL	X		
23	Ms. Tlaib, MI	X		
24	Mr. Tonko, NY	X		
25	Ms. Trahan, MA	X		
26	Ms. Velázquez, NY	X		
	REP. MEMBERS (22)	Y	N	P
1	Mr. Bentz, OR		X	
2	Mrs. Boebert, CO			
3	Mr. Carl, AL		X	
4	Mr. Fulcher, ID			
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR		X	
7	Mr. Gosar, AZ		X	
8	Mr. Graves, LA		X	
9	Ms. Herrall, NM		X	
10	Mr. Hice, GA			
11	Mr. Lamborn, CO		X	
12	Mr. McClintock, CA			
13	Mr. Moore, UT		X	
14	Mr. Obernolte, CA		X	
15	Mrs. Radewagen, AS		X	
16	Mr. Rosendale, MT		X	
17	Mr. Stauber, MN		X	
18	Mr. Tiffany, WI		X	
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)		X	
21	Mr. Wittman, VA		X	
22	Mr. Young, AK			
Total: 48 / Quorum: 16 / Report: 25		23	15	
TOTALS		YEAS	NAYS	PRESENT

By unanimous consent, Ranking Member Bruce Westerman (R-AR) offered amendments on behalf of other Members designated Tiffany #1, Tiffany #2, Boebert #1, Boebert #2, and Graves #82 *en bloc*. The *en bloc* amendments were agreed to by a voice vote. Rep. Pete Stauber (R-MN) offered an amendment designated Stauber #1. The amendment was not agreed to by a roll call vote of 15 yeas and 23 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES
117TH CONGRESS — ROLL CALL**

Bill / Motion: H.R. 1506**Amendment:** Rep. Stauber #1 amendment**Disposition:** Not agreed to by a roll call vote of 15 yeas and 23 nays.

DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1 Ms. Brownley, CA	X		
2 Mr. Case, HI	X		
3 Mr. Cohen, TN	X		
4 Mr. Costa, CA	X		
5 Ms. DeGette, CO	X		
6 Mrs. Dingell, MI	X		
7 Mr. Gallego, AZ	X		
8 Mr. Garcia, IL	X		
9 Mr. Grijalva, AZ (Chair)	X		
10 Mr. Huffman, CA	X		
11 Ms. Leger Fernández, NM	X		
12 Mr. Levin, CA	X		
13 Mr. Lowenthal, CA	X		
14 Ms. Matsui, CA			
15 Ms. McCollum, MN	X		
16 Mr. McEachin, VA			
17 Mrs. Napolitano, CA	X		
18 Mr. Neguse, CO	X		
19 Ms. Porter, CA	X		
20 Mr. Sablan, MP	X		
21 Mr. San Nicolas, GU			
22 Mr. Soto, FL	X		
23 Ms. Tlaib, MI	X		
24 Mr. Tonko, NY	X		
25 Ms. Trahan, MA	X		
26 Ms. Velázquez, NY	X		
REP. MEMBERS (22)		Y	N
1 Mr. Bentz, OR	X		
2 Mrs. Boebert, CO			
3 Mr. Carl, AL	X		
4 Mr. Fulcher, ID			
5 Mr. Gohmert, TX			
6 Miss González-Colón, PR	X		
7 Mr. Gosar, AZ	X		
8 Mr. Graves, LA	X		
9 Ms. Herrill, NM	X		
10 Mr. Hice, GA			
11 Mr. Lamborn, CO	X		
12 Mr. McClintock, CA			
13 Mr. Moore, UT	X		
14 Mr. Obernolte, CA	X		
15 Mrs. Radewagen, AS	X		
16 Mr. Rosendale, MT	X		
17 Mr. Stauber, MN	X		
18 Mr. Tiffany, WI	X		
19 Mr. Webster, FL			
20 Mr. Westerman, AR (RM)	X		
21 Mr. Wittman, VA	X		
22 Mr. Young, AK			
Total: 48 / Quorum: 16 / Report: 25	15	23	
TOTALS	YEAS	NAYS	PRESENT

The bill, as amended, was adopted and ordered favorably reported to the House of Representatives by a roll call vote of 24 yeas and 15 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES
117TH CONGRESS — ROLL CALL**

Bill / Motion: H.R. 1506

Amendment:

Disposition: Final Passage: H.R. 1506, as amended, was ordered favorably reported to the House of Representatives by a roll call vote of 24 yeas and 15 nays.

DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1 Ms. Brownley, CA	X		
2 Mr. Case, HI	X		
3 Mr. Cohen, TN	X		
4 Mr. Costa, CA	X		
5 Ms. DeGette, CO	X		
6 Mrs. Dingell, MI	X		
7 Mr. Gallego, AZ	X		
8 Mr. Garcia, IL	X		
9 Mr. Grijalva, AZ (Chair)	X		
10 Mr. Huffman, CA	X		
11 Ms. Leger Fernández, NM	X		
12 Mr. Levin, MI	X		
13 Mr. Lowenthal, CA	X		
14 Ms. Matsui, CA	X		
15 Ms. McCollum, MN	X		
16 Mr. McEachin, VA			
17 Mrs. Napolitano, CA	X		
18 Mr. Neguse, CO	X		
19 Ms. Porter, CA	X		
20 Mr. Sablan, MP	X		
21 Mr. San Nicolas, GU			
22 Mr. Soto, FL	X		
23 Ms. Tlaib, MI	X		
24 Mr. Tonko, NY	X		
25 Ms. Trahan, MA	X		
26 Ms. Velázquez, NY	X		
REP. MEMBERS (22)	Y	N	P
1 Mr. Bentz, OR		X	
2 Mrs. Boebert, CO			
3 Mr. Carl, AL		X	
4 Mr. Fulcher, ID			
5 Mr. Gohmert, TX			
6 Miss González-Colón, PR		X	
7 Mr. Gosar, AZ		X	
8 Mr. Graves, LA		X	
9 Ms. Herrrell, NM		X	
10 Mr. Hice, GA			
11 Mr. Lamborn, CO		X	
12 Mr. McClintock, CA			
13 Mr. Moore, UT		X	
14 Mr. Obernolte, CA		X	
15 Mrs. Radewagen, AS		X	
16 Mr. Rosendale, MT		X	
17 Mr. Stauber, MN		X	
18 Mr. Tiffany, WI		X	
19 Mr. Webster, FL			
20 Mr. Westerman, AR (RM)		X	
21 Mr. Wittman, VA		X	
22 Mr. Young, AK			
Total: 48 / Quorum: 16 / Report: 25	24	15	
TOTALS	YEAS	NAYS	PRESENT

HEARINGS

Regarding clause 3(c)(6) of House rule XIII, the Committee does not expect the measure to be considered pursuant to a special order of business reported by the Committee on Rules.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

The short title of this legislation is the “Transparency in Energy Production Act of 2021.”

Section 2. Disclosure requirements

Section 2 requires energy developers on federal and tribal land to submit a report to the Secretary of the Interior or the Secretary of Agriculture that makes the disclosures described in the Sustainable Accounting Standards Board (SASB) for the Extractives and Minerals Processing Sector and the renewable resources and Alternative Energy Sector. Current lease holders are required to submit reports annually, and those seeking new leases are required to submit reports at the time of bid.

If the Secretary determines that an entity does not meet the disclosure requirements, the Secretary may not issue a new lease or suspend a current one.

Section 3. Online publication of disclosure

Under this section, the Secretary concerned is directed to publish reports required under Section 2 to the public on a free-to-access website.

Section 4. Report to Congress

Section 4 directs the Secretary to report to Congress every two years with the total greenhouse gas emissions, air quality, water management, biodiversity impacts, production, and number of sites in alignment with the SASB Standards reporting framework on the date the report is filed. Such a report should detail changes in the information above and provide the projected future changes for 5, 10, and 25 years. Reporting should include estimated impacts from renewable energy operations in these areas, including associated transmission lines.

Section 5. Definitions

Section 5 provides definitions for key terms for this legislation.

Section 6. Effective date

Section 6 designates that this Act shall take effect 180 days after enactment.

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 AND
CONGRESSIONAL BUDGET ACT**

1. Cost of Legislation and the Congressional Budget Act. With respect to the requirements of 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 and with respect to requirements of clause (3)(c)(3) and clause 3(d) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has requested but not received a cost estimate for this bill from the Director of Congressional Budget Office. The Committee adopts as its own cost estimate the forthcoming cost estimate of the Director of the Congressional Budget Office, should such cost estimate be made available before House passage of the bill.

The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

2. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goals and objectives of this bill are to provide for the accurate reporting of fossil fuel extraction and emissions by entities with leases on public land.

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.

UNFUNDED MANDATES REFORM ACT STATEMENT

An estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act was not made available to the Committee in time for the filing of this report. The Chair of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee, if such estimate is not publicly available on the Congressional Budget Office website.

EXISTING PROGRAMS

This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL, OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes to existing law.

DAVID SCOTT, GEORGIA,
CHAIRMAN
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BRIAD FRISTED, MINNESOTA

COMMITTEE CORRESPONDENCE

U.S. House of Representatives

Committee on Agriculture

Room 1101, Longworth House Office Building
Washington, DC 20515-0001

(202) 225-2171

December 7, 2022

The Honorable Raul M. Grijalva
Chairman, Committee on Natural Resources
U.S. House of Representatives
1324 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

This letter confirms our mutual understanding regarding bills H.R. 3686, the "Ski Hill Resources for Economic Development Act;" H.R. 3326, the "Public Land Renewable Energy Development Act of 2021;" H.R. 6936, the "Stamp Out Invasive Species Act;" H.R. 6435, "To provide for the application of certain provisions of the Secure Rural Schools and Community Self-Determination Act of 2000 for fiscal year 2021;" H.R. 1503, the "Restoring Community Input and Public Protections in Oil and Gas Leasing Act of 2021;" H.R. 1506, the "Transparency in Energy Production Act of 2021;" H.R. 3670, the "Simplifying Outdoor Access for Recreation Act;" H.R. 2021, the "Environmental Justice For All Act;" and H.R. 4690, the "Sustaining America's Fisheries for the Future Act of 2021." Thank you for collaborating with the Committee on Agriculture.

Our Committee will forgo consideration of the above listed bills for the limited purpose of completing and filing bill reports. However, if floor action becomes a possibility, the Committee on Agriculture will require the opportunity to take up these measures. The Committee on Agriculture reserves the right to seek the appointment of any House-Senate conference and requests consultation on any matters within our jurisdiction.

Sincerely,

David Scott
Chairman

Cc:
The Honorable Glenn "GT" Thompson, Ranking Member
The Honorable Nancy Pelosi, Speaker of The House of Representatives
The Honorable Jason Smith, Parliamentarian

RAÚL M. GRIJALVA OF ARIZONA
CHAIRMAN

DAVID WATKINS
STAFF DIRECTOR

BRUCE WESTERMAN OF ARKANSAS
RANKING REPUBLICAN

VIVIAN MOEGLEIN
REPUBLICAN STAFF DIRECTOR

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

December 7, 2022

The Honorable David Scott
Chair
Committee on Agriculture
U.S. House of Representatives
1301 Longworth House Office Building
Washington, DC 20515

Dear Chair Scott:

I write to you concerning H.R. 1503, the "Restoring Community Input and Public Protections in Oil and Gas Leasing Act of 2021;" H.R. 1506, the "Transparency in Energy Production Act of 2021;" H.R. 2021, the "Environmental Justice For All Act;" H.R. 3326, the "Public Land Renewable Energy Development Act of 2021;" H.R. 3670, the "Simplifying Outdoor Access for Recreation Act;" H.R. 3686, the "Ski Hill Resources for Economic Development Act;" H.R. 4690, the "Sustaining America's Fisheries for the Future Act of 2021;" H.R. 6435, "To provide for the application of certain provisions of the Secure Rural Schools and Community Self-Determination Act of 2000 for fiscal year 2021;" and H.R. 6936, the "Stamp Out Invasive Species Act."

I recognize that the bills contain provisions that fall within the jurisdiction of the Committee on Agriculture. I acknowledge that your Committee will not formally consider these bills for the limited purpose of completing and filing the bill reports.

Additionally, I confirm our mutual understanding that any floor action on these bills would still require further consultation with, and a separate approval from, the Committee on Agriculture. I would be pleased to support the appointment of members of the Committee on Agriculture to any conference committee to consider such provisions.

I will ensure that our exchange of letters is included in the committee reports for the bills. I appreciate your cooperation regarding this legislation and look forward to continuing to work with you.

Sincerely,

Chair Raúl M. Grijalva
Committee on Natural Resources

Cc: The Honorable Nancy Pelosi, Speaker of the House
The Honorable Bruce Westerman, Ranking Member, Committee on Natural Resources
The Honorable Glen 'GT' Thompson, Ranking Member, Committee on Agriculture
The Honorable Jason Smith, Parliamentarian

DISSENTING VIEWS

H.R. 1506 would require energy operators on federal lands and waters to develop numerous reports based on the “Sustainable Accounting Standards” created by the Sustainability Accounting Standards Board (SASB). The SASB is a non-profit organization that develops industry-specific standards to assist companies in disclosing financially material sustainability information to investors. The SASB receives no government funding and is not affiliated with any government agency.¹ Instead the SASB relies heavily on private donors, two of the largest being former presidential candidates Michael Bloomberg and Tom Steyer. In fact, Michael Bloomberg was Chairman of the SASB from 2014 to 2018 and remains involved in the organization, according to their website.² H.R. 1506 would effectively take away the rightful authority of the government to oversee disclosures on federal lands and give it to a non-governmental organization with potential political bias. Committee Republicans are opposed.

The Sustainable Accounting Standards in H.R. 1506 include the following SASB documents: “Wind Technology and Project Developers,” “Solar Technology and Project Developers,” “Oil and Gas Exploration and Production,” and “Coal Operations.” The disclosure topics in these documents include greenhouse gas emissions; air quality; water management; waste management; biodiversity impacts; security, human rights, and rights of indigenous peoples; community relations; workforce health and safety; reserves valuation and capital expenditures; business ethics and transparency; management of the legal and regulatory environment; critical incident risk management; and labor relations.³

The standards for wind and solar companies also requires them to disclose information related to sourcing materials, including minerals, for renewable energy projects. Specifically, the SASB notes that critical minerals are concentrated in countries with limited labor and environmental regulations or are subject to geopolitical tensions that may disrupt supply chains. The SASB goes on to say that minerals such as copper, cobalt, gallium, graphite, and rare earth elements are needed for renewable energy but may be difficult to source responsibly and encourages companies to source minerals from reliable suppliers or regions with fewer environmental or social risks. To that end, the SASB requires companies to identify the critical minerals that present a risk to their op-

¹ Sustainable Accounting Standards Board. Solar Technology and Project Developers. Sustainable Accounting Standard. October 2018.

² Sustainable Accounting Standards Board. The SASB Board of Directors. <https://www.sasb.org/governance/foundation-board/>.

³ Sustainable Accounting Standards Board. Coal Operations. Sustainable Accounting Standard. October 2018; Sustainable Accounting Standards Board. Oil and Gas Exploration and Production. Sustainable Accounting Standard. October 2018.

erations and how they plan to mitigate that risk.⁴ Companies are currently not required to disclose information about their sourced materials as a condition of holding a federal lease. Transparency regarding the origin of critical minerals is needed, especially in light of legislative and administrative efforts to shut down domestic mines, where minerals are sourced responsibly.

Except for disclosures related to critical minerals, each of the disclosure and accounting topics are duplicative of existing requirements during the regulatory process. For example, conventional energy operators are already obligated to report their emissions data annually to the Environmental Protection Agency (EPA).⁵ Additionally, the U.S. Securities and Exchange Commission (SEC) already requires companies listed on the U.S. stock exchange to report material risks in their regulatory filings, which includes information related to sustainability. Decisions regarding necessary disclosures should remain with the SEC and not be placed in the hands of an unaccountable non-governmental organization.

Furthermore, the reporting requirements included in the bill would be almost impossible to implement and would upend the existing leasing process for energy production on federal lands. Under H.R. 1506, any company seeking a lease to produce oil, gas, coal, solar, or wind energy on public lands would be required to submit a report based on the applicable Sustainable Accounting Standards along with their initial bid. Because the bill's language is unclear, this may refer to global emissions produced by the company's operations worldwide, which is irrelevant to whether an operator can successfully execute a lease, or anticipated emissions from operations on the lease in question. Operators could be required to somehow account for anticipated emissions before holding a lease, completing the permitting process, and fully exploring and accounting for the geological and surface features of the leased lands. Additionally, it is unclear how the information provided by operators under this bill would be evaluated and how this information would be utilized by the Bureau of Land Management (BLM) in making leasing and permitting decisions.

Essentially, H.R. 1506 would outsource federal regulatory requirements to an unelected non-governmental organization with no government accountability. The requirements could change at any time, creating massive uncertainty for operators. The reports could easily serve as fodder for lawsuits, further hindering the regulatory process without providing additional benefits to the public. Transparency is important, but efforts to improve transparency should focus on acquiring relevant, lease-specific information in a manner that doesn't derail the leasing and permitting process on federal lands and waters.

For these reasons, I oppose H.R. 1506.

BRUCE WESTERMAN.



⁴ Sustainable Accounting Standards Board. Solar Technology and Project Developers. Sustainable Accounting Standard. October 2018; Sustainable Accounting Standards Board. Wind Technology and Project Developers. Sustainable Accounting Standard. October 2018.

⁵ U.S. Environmental Protection Agency. Greenhouse Gas Reporting Program. GHGRP and the Oil and Gas Industry. <https://www.epa.gov/ghgreporting/ghgrp-and-oil-and-gas-industry>.