

Environmental Data and Governance Initiative Website Tracking Report

envirodatagov.org | edgi.websitetracking@protonmail.com



Removal and change of language and content on the Government Accountability Office's explanation of risk in the management of federal oil and gas resources

March 28, 2017

Updated on April 4, 2017 3:24 pm EST

Writing and review of this report was conducted and overseen by the members of EDGI's Website Monitoring Committee: Maya Anjur-Dietrich, Andrew Bergman, Gretchen Gehrke, and Toly Rinberg. Report writing was led by Abby Klionski.

EDGI DISCLAIMER - The information and images within this report are for general information purposes only. The scope of this report is limited to version tracking information of publicly available websites. EDGI has no control over the nature, content, or sustained availability of the websites we monitor. While EDGI works to assure that the information in this report is correct, that information is subject to the limitations of version tracking software, and is provided "as is." EDGI makes no representations or warranties of any kind, express or implied, about the completeness or reliability of this information, **nor does EDGI intend to assess any agency or entity's intentions or rationale for the demonstrated changes to any webpages or other online content that appear in this report.** Do not rely on the information in this report as predictive, or ascribe intent not presented within the report. In no event will EDGI or any of its members be liable for the use or misuse of the information in this report. Please consult with an appropriately qualified expert if you require qualitative evaluation of or advice about the content of this report.

Removal and change of language and content on the Government Accountability Office's explanation of risk in the management of federal oil and gas resources.

The Government Accountability Office page on managing federal oil and gas resources has been edited to change the framework within which natural gas production is discussed and to remove content on the environmental and public health risks of shale oil and natural gas production.

Description

Every two years, the GAO identifies program areas that are high risk due to “vulnerabilities to fraud, waste, abuse, and mismanagement, or are most in need of transformation,” and maintains the list on its [website](#). In the most recent update to the list, the GAO has changed the framework within which federal oil and gas resources are discussed to expand the focus on job creation and economic benefits. It has also removed the section on the environmental and public health risks of shale oil and natural gas production and a proposed alternative. At the same time, a new section has been added highlighting the challenges in hiring sufficient human capital.

The most notable changes to this site are summarized here:

1. **Rewritten introductory paragraph:** This paragraph now focuses on job creation and economic benefits of oil and gas production. (1.1a)
2. **Removal of section on environmental and public health risks of shale oil and natural gas production:** This information is no longer available on the current version of the site. (1.1b)
3. **Addition of section on “human capital challenges”:** Notes that the Department of Interior faces challenges in hiring and retaining important staff. (1.1d)

Page 1: Management of Federal Oil and Gas Resources - High Risk Issue

- URL: www.gao.gov/key_issues/oil_and_natural_gas/issue_summary

Screenshot 1.1

- Side-by-side View: 2/15/17 - 2/16/17
- Change occurred between **Feb 15 2017 12:54 PM ET** and **Feb 16 2017 12:23 PM ET**

Note: The previous version of this page (comparison between 1/19/17 and 2/15/17) is shown in Screenshot 1.2 below.

(1.1a) **Rewritten first body paragraph.** Changed text to expand the page's focus on job creation and economic benefits of oil and gas production. The introduction now states that oil and gas resources “provide an important source of energy for the United States; create jobs in

the oil and gas industry; and generate billions of dollars annually in revenues that are shared between federal, state, and tribal governments. Interior reported collecting over \$49 billion from fiscal years 2011 through 2015 from royalties and other payments. This makes oil and gas resources one of the federal government's largest sources of nontax revenue." Additionally, text describing when and why oil and gas production were added to GAO as high risk areas was removed.

(1.1b) **Removal of section on environmental and public health risks of shale oil and natural gas production.** Specifically, removal of sentence: "Oil and natural gas development pose inherent environmental and public health risks, and studies have generally found that the potential long-term, cumulative effects of shale development have not been examined." In addition, references to hydraulic fracturing and exporting liquefied natural gas and its economic benefits were removed. Note that the introduction now states that the Department of the Interior needs to "ensure operational and environmental safety," even as the statements about inherent environmental risks were removed.

(1.1c) **Rewritten "Royalties" section.** This section adds text describing that the Department of Interior has "taken some steps" to strengthen management of federal oil and gas leases, though it does not specify what steps have been taken, and notes also that no steps have been taken to improve the verification of production and completeness of royalty data. Additionally, the previous version's caveat that "Because Interior has not always conducted production inspections, it is uncertain whether oil and natural gas operators accurately reported oil and natural gas production" has been removed.


(1.1d) **Addition of section on "human capital challenges."** This section now notes that the Department of Interior faces challenges in hiring and retaining important staff, as salaries are lower and hiring process longer than in the oil and gas industry. States that DOI has not evaluated the effectiveness of the efforts it has taken to mitigate these challenges.

(1.1e) **Amended federal oversight section.** Previous version referenced the continued challenges in prioritizing oversight and building IT and workforce to meet the needs of federal oversight. The Amended version notes that the Bureau of Safety and Environmental Enforcement (BSEE) continues to use policies that predate the Deepwater Horizon explosions. These "outdated policies and procedures do not require planning investigations, gathering and documenting evidence, and ensuring quality control, potentially undermining the effectiveness of investigations." As such, they risk BSEE's ability to "effectively oversee environmental compliance." The following excerpt was moved to a different part of the paragraph, but remained almost entirely the same: "Interior completed its restructuring of its oil and gas program in 2011, transferring offshore oversight responsibilities to two new bureaus—the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement." In addition, an explanation of the importance of the Deepwater Horizon explosion has been moved from a bullet-point to the introductory paragraph, and the following assertion was removed: that the accident was the impetus for "new safety and environmental requirements and policy changes designed to mitigate the risk of an offshore well blowout or spill."

(1.1f) Removal of sentence "This key issue page is related to an area on GAO's 2017 High Risk Update and will be updated shortly. In the meantime, visit the [related High Risk area](#) for the newest information."

Comparison of www.gao.gov/key-issues/energy-and-environment/government-accountability-office-reports - report-javascript - view-as-gif

Feb 15 2017 12:54 PM rendered side-by-side Feb 15 2017 12:33 PM



Reports & Testimonies | Bid Protests & Appropriations Law | Key Issues | About GAO | Careers | Multimedia | Resources

Key Issues » Management of Federal Oil and Gas Resources - High Risk Issue

Management of Federal Oil and Gas Resources - High Risk Issue

The U.S. oil and natural gas industry is a critical component of the nation's economy, providing energy for transportation, manufacturing, and residential use, while creating jobs and reducing imports. In addition, a portion of the nation's oil and natural gas is produced on federal lands and waters, generating billions in revenues, such as royalties.

ISSUE SUMMARY
KEY REPORTS
MULTIMEDIA
RELATED GAO LINKS
GAO CONTACT

This key issue page is related to an area on GAO's 2017 High Risk Update and will be updated shortly. In the meantime, visit the related High Risk area for the most information.

The Department of the Interior (DOI) oversees oil and natural gas production on federal lands and waters—providing access to these resources while ensuring their safe and responsible development. DOI's work has shown that management of federal oil and gas resources was a high-risk area and was added to the High Risk List in 2011. Challenges identified were in Interior's management of oil and gas on leased federal lands and waters. Technological advances and market forces continue to challenge the government's ability to manage oversight. For example:

- Shale oil and natural gas: New applications of horizontal drilling techniques and hydraulic fracturing have allowed the development of oil and natural gas from shale formations. From 2007 to 2011, shale oil production increased more than fourfold, and shale gas production increased more than fourfold. Oil and natural gas development pose increased environmental and public health risks, and studies have generally found that the potential long-term cumulative effects of shale development have not been examined. In April 2012, the Federal Energy Regulatory Commission approved a liquefied natural gas (LNG) export facility, the first project authorized by the commission to export LNG from production resources within the United States. Recent studies commissioned by the Energy Department found that increased natural gas exports lead to higher domestic natural gas prices while providing net economic benefits for the United States.
- Royalties: Interior does not have requirements in place that it is enforcing to ensure that it is collecting its share of royalties for oil and gas produced from leased federal lands and waters. The federal government has, in the past, changed royalty rates on oil and gas leases. In addition, the Energy Policy Act of 2005 mandated royalty relief for some leases over a five-year period. Because Interior has not always conducted production inspections, it is uncertain whether oil and natural gas operators accurately reported oil and natural gas production from some leases or credited the appropriate royalties.
- Federal oversight: Following the Deepwater Horizon incident in 2010, Interior established new safety and environmental requirements and policy changes designed to mitigate the risk of an offshore well blowout or spill. However, Interior continues to face challenges in its ability to prioritize oversight according to risk and build and maintain information technology capabilities and workforce sufficient to meet present and future needs. Historically, Interior's Bureau of Land Management (BLM) managed offshore federal oil and gas activities while the Minerals Management Service managed offshore activities and collected royalties for all leases. Interior completed restructuring of oil and gas program in 2011, transferring offshore oversight responsibilities to the new bureau—the Bureau of Ocean Energy Management, and the Bureau of Safety and Environmental Enforcement— and assigning the revenue collection function to a new Office of Natural Resources Revenue. This restructuring did not include BLM's management of onshore federal oil and gas activities.


For more on GAO's reports and recommendations, see the key reports list below.

Looking for our recommendations? Click on any report to find each associated recommendation and its current implementation status.

Oil and Gas: Updated Guidance, Increased Coordination, and Comprehensive Data Could Improve BLM's Management and Oversight (Released on May 16, 2014)
<http://www.gao.gov/products/GAO-14-281>
 GAO-14-281, Published May 16, 2014, Public Release: May 16, 2014

Oil and Gas Management: Continued Attention to Interior's Human Capital Challenges Is Needed
<http://www.gao.gov/products/GAO-14-338>
 GAO-14-338, Published Feb 27, 2014, Public Release: Feb 27, 2014

Oil and Gas: Interior Has Begun to Address Hiring and Retention Challenges but Needs to Do More
<http://www.gao.gov/products/GAO-14-339>
 GAO-14-339, Published Jan 31, 2014, Public Release: Feb 19, 2014



Reports & Testimonies | Bid Protests & Appropriations Law | Key Issues | About GAO | Careers | Multimedia | Resources

Key Issues » Management of Federal Oil and Gas Resources - High Risk Issue

Management of Federal Oil and Gas Resources - High Risk Issue

The U.S. oil and natural gas industry is a critical component of the nation's economy, providing energy for transportation, manufacturing, and residential use, while creating jobs and reducing imports. In addition, a portion of the nation's oil and natural gas is produced on federal lands and waters, generating billions in revenues, such as royalties.

ISSUE SUMMARY
KEY REPORTS
MULTIMEDIA
RELATED GAO LINKS
GAO CONTACT

The Department of the Interior oversees oil and natural gas production on federal lands and waters—providing access to these resources while ensuring their safe and responsible development. DOI's work has shown that management of federal oil and gas resources was a high-risk area and was added to the High Risk List in 2011. Challenges identified were in Interior's management of oil and gas on leased federal lands and waters. Technological advances and market forces continue to challenge the government's ability to manage oversight. For example:

- Shale oil and natural gas: New applications of horizontal drilling techniques and hydraulic fracturing have allowed the development of oil and natural gas from shale formations. From 2007 to 2011, shale oil production increased more than fourfold, and shale gas production increased more than fourfold. Oil and natural gas development pose increased environmental and public health risks, and studies have generally found that the potential long-term cumulative effects of shale development have not been examined. In April 2012, the Federal Energy Regulatory Commission approved a liquefied natural gas (LNG) export facility, the first project authorized by the commission to export LNG from production resources within the United States. Recent studies commissioned by the Energy Department found that increased natural gas exports lead to higher domestic natural gas prices while providing net economic benefits for the United States.
- Royalties: Interior does not have requirements in place that it is enforcing to ensure that it is collecting its share of royalties for oil and gas produced from leased federal lands and waters. The federal government has, in the past, changed royalty rates on oil and gas leases. In addition, the Energy Policy Act of 2005 mandated royalty relief for some leases over a five-year period. Because Interior has not always conducted production inspections, it is uncertain whether oil and natural gas operators accurately reported oil and natural gas production from some leases or credited the appropriate royalties.
- Federal oversight: Following the Deepwater Horizon incident in 2010, Interior established new safety and environmental requirements and policy changes designed to mitigate the risk of an offshore well blowout or spill. However, Interior continues to face challenges in its ability to prioritize oversight according to risk and build and maintain information technology capabilities and workforce sufficient to meet present and future needs. Historically, Interior's Bureau of Land Management (BLM) managed offshore federal oil and gas activities while the Minerals Management Service managed offshore activities and collected royalties for all leases. Interior completed restructuring of oil and gas program in 2011, transferring offshore oversight responsibilities to the new bureau—the Bureau of Ocean Energy Management, and the Bureau of Safety and Environmental Enforcement— and assigning the revenue collection function to a new Office of Natural Resources Revenue. This restructuring did not include BLM's management of onshore federal oil and gas activities.

For more on GAO's reports and recommendations, see the key reports list below.

Looking for our recommendations? Click on any report to find each associated recommendation and its current implementation status.

Oil and Gas Oversight: Interior Has Taken Steps to Address Staff Hiring, Retention, and Training but Needs a More Evaluative and Collaborative Approach
<http://www.gao.gov/products/GAO-16-742>
 GAO-16-742, Published Sep 29, 2016, Public Release: Oct 20, 2016

Oil and Gas Management: Interior's Bureau of Safety and Environmental Enforcement Restructuring Has Not Addressed Long-Standing Oversight Deficiencies
<http://www.gao.gov/products/GAO-16-406>
 GAO-16-406, Published Feb 18, 2016, Public Release: Mar 18, 2016

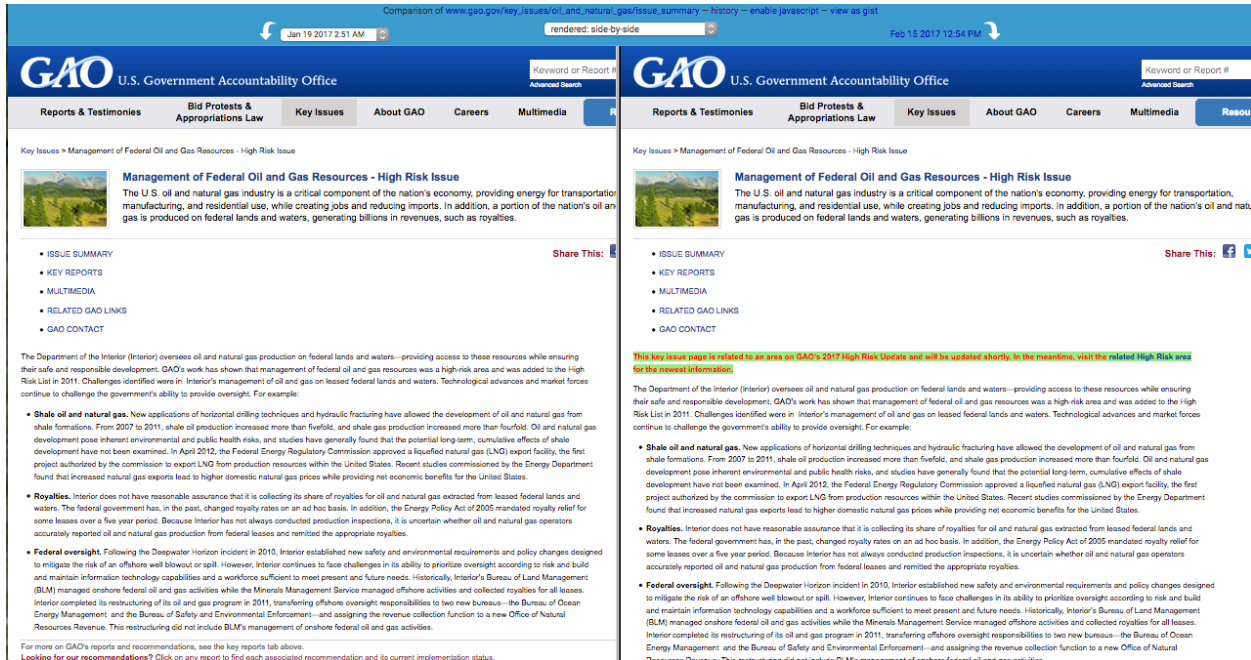
Offshore Oil and Gas Resources: Actions Needed to Better Protect Against Billions of Dollars in Federal Exposure to Decommissioning Liabilities
<http://www.gao.gov/products/GAO-15-440>
 GAO-15-440, Published Dec 16, 2015, Public Release: Jan 19, 2016

Crude Oil Export Restrictions: Studies Suggest Allowing Exports Could Reduce Consumer Fuel Prices
<http://www.gao.gov/products/GAO-15-404>

Screenshot 1.2

- Side-by-side View: 1/19/17 - 2/15/17
- Change occurred between **February 14 2017 1:02 PM ET** and **Feb 15 2017 12:54 PM ET**

(1.2a) Addition of sentence “This key issue page is related to an area on GAO’s 2017 High Risk Update and will be updated shortly. In the meantime, visit the [related High Risk area](#) for the newest information.”



Internet Archive Page Status:

Note that the screenshot above comes from the website tracking software we use and changes the way the website is rendered. For the standard view, see links below.

Previous version from January 13, 2017:

http://web.archive.org/web/20170113102513/http://www.gao.gov/key_issues/oil_and_natural_gas/issue_summary

Revised version from February 17, 2017:

http://web.archive.org/web/20170217125440/http://gao.gov/key_issues/oil_and_natural_gas/issue_summary

The Internet Archive did not capture a version of the page on February 15, 2017

Additional EDGI Actions and Research Regarding These Changes:

EDGI submitted a Freedom of Information Act request to GAO on 2/25/17 for “all records related to the changes made to the GAO’s Key Issues webpage dealing with the management of federal oil and gas resources” in response to changes on this page.

Response to FOIA request received 2/27/17: “We have no records responsive to your request. Please be advised that the key issues page is periodically updated to reflect recent GAO work.

... As an agency responsible to the Congress, GAO is not subject to FOIA. However, GAO's disclosure policy follows the spirit of the act consistent with GAO's duties and functions as an agency with primary responsibility to the Congress."

For email correspondence regarding EDGI's FOIA request, please see the accompanying document.