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# 4.6 Ideas for the Department of the Interior



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President Joe Biden is in the midst of his first 100-day policy sprint.

In honor of the 46th President, we have come up with a “Four Point Six” memo. This is our set of 4.6 recommendations the Biden Administration should follow in governance to promote policies to restore fiscal balance, increase transparency and accountability, and reduce the deficit. These recommendations span government agencies from Defense to Agriculture, Interior to the Office of Management and Budget. You can read the full memo [here](#).

Why 4.6? We could have done 46 but we decided to begin with our top priorities, and we consider the “Point Six” recommendation to be the simplest place to start.

Read on.

## Department of the Interior

- 1. Update Century-Old Lease Terms:** Increase the onshore federal oil and gas royalty rate set in 1920. The current rate of 12.5% not only lags most states (Texas charges up to 25%), but also costs us enormously – like up to \$12.4 billion over the last ten years if we charged the rate for offshore oil and gas, 18.75%. And update the ridiculously low rate for grazing on federal lands that’s less than 10% of what private landowners charge.
- 2. Let the Public into the Process:** Overhaul outdated data systems, look at states for models of how to let the public see who is drilling, and which companies control which leases. Some DOI data tracking has improved – like RevenueData.gov – but is still too limited and others are stuck in the Stone Age. Standardizing and collecting lease sale results is badly needed, as is basic disclosure of which companies are nominating land for lease. More transparency up front should be standard protocol and will reduce time to fill tedious document requests on the back end.

**3. End the Hardrock Mining Giveaway:** Collect data on the tonnage of gold, silver, uranium, and other “hardrock” minerals taken from federal lands. We collect \$0 when private companies sell precious metals removed from federal lands. While Congress needs to replace the General Mining Law of 1872 with a leasing system, the DOI can start collecting data now. We don’t even know how much we’re losing, and that’s unacceptable, especially because some of these are “critical” minerals needed for our modern age.

**4. Plug the Leaks in Resource Rules:** A royalty rate is a flat percentage, but there are rules that govern how to measure the amount of resource it applies to, how to value that oil, gas, and coal, and in what circumstances the

royalty doesn’t apply. There are now figurative leaks in the revenue stream, and in the case of the methane waste rule, allowances for literal leaks of natural gas. DOI needs to plug the leaks to make sure taxpayers are paid in full.

**4.6. Press Pause on Federal Oil & Gas Leasing Program:**

Take a step back and reform the systems for leasing federal oil and gas (and coal) so taxpayers get fair market value before resuming lease sales. The Trump Administration leased federal lands at a record pace in the last four years, even during the pandemic, despite systemic problems that allow land to be leased for less than \$5/acre or for no bid at all. Legacy provisions also enable speculators to sit out sales and get parcels anonymously a day or two later.



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*This is an excerpt. Read the full Four Point Six memo at <https://www.taxpayer.net/budget-appropriations-tax/four-point-six/>*



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