Why GAO Did This Study

Indian energy resources hold significant potential for development, but according to a 2014 Interior Department document, these resources are underdeveloped relative to surrounding non-Indian resources. Development of Indian energy resources is a complex process that may involve federal, tribal, and state agencies. Interior’s BIA has primary authority for managing Indian energy development and generally holds final decision-making authority for leases and other permits required for development.

The Energy Policy Act of 2005 provided the opportunity for interested tribes to pursue TERAs—agreements between a tribe and Interior that allow the tribe to enter into energy leases and agreements without review and approval by Interior. However, no tribe has entered into a TERA.

This testimony highlights the key findings of GAO’s June 2015 report (GAO-15-502). It focuses on factors that have (1) hindered Indian energy development and (2) deterred tribes from pursuing TERAs.

What GAO Found

In its June 2015 report, GAO found that Bureau of Indian Affairs’ (BIA) management shortcomings and other factors—such as a complex regulatory framework, limited capital and infrastructure, and varied tribal capacity—have hindered Indian energy development. Specifically, BIA’s management has the following shortcomings:

- BIA does not have the data it needs to verify ownership of some Indian oil and gas resources, easily identify resources available for lease, or identify where leases are in effect, as called for in Secretarial Order 3215. GAO recommended that Interior direct BIA to identify land survey needs and enhance mapping capabilities. In response, Interior stated it will develop a data collection tool to identify the extent of the survey needs in fiscal year 2016, and enhance mapping capabilities by developing a national dataset composed of all Indian land tracts and boundaries in the next 4 years.

- BIA’s review and approval is required throughout the development process, but BIA does not have a documented process or the data needed to track its review and response times, as called for in implementation guidance for Executive Order 13604. GAO recommended that Interior direct BIA to develop a documented process to track its review and response times. In response, Interior stated it will try to implement a tracking and monitoring mechanism by the end of fiscal year 2017 for oil and gas leases. However, it did not indicate whether it intends to track and monitor the review of other energy-related documents that must be approved before development can occur. Without comprehensive tracking and monitoring of its review process, it cannot ensure that documents are moving forward in a timely manner, and lengthy review times may continue to contribute to lost revenue and missed development opportunities.

- Some BIA regional and agency offices do not have staff with the skills needed to effectively evaluate energy-related documents or adequate staff resources. GAO is conducting ongoing work on this issue.

What GAO Recommends

In its June 2015 report, GAO recommended that Interior take steps to address data limitations, track its review process, and provide clarifying guidance. In an August 2015 letter to GAO after the issuance of that report, Interior generally agreed with the recommendations and identified some steps it intends to take to implement them.

View GAO-16-171T. For more information, contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov.