



441 G St. N.W.
Washington, DC 20548

December 16, 2016

Congressional Requesters

Financial Assurances for Reclamation: Federal Regulations and Policies for Selected Mining and Energy Development Activities

Mining and energy development activities provide important resources for the nation but often require disturbing the land surface, which potentially affects vegetation, wildlife, and water quality, among other things. Companies undertaking such activities may be required to reclaim lands disturbed by these activities—for example, by regrading and replanting, removing any hazardous materials, and taking steps to protect water quality.¹ These companies may also need to provide financial assurances, such as cash or bonds, to cover the cost of this reclamation. Specifically, federal regulations govern minimum reclamation and financial assurance standards for surface coal mining occurring on all lands in the United States, but states may develop their own programs to implement these requirements if they are in accordance with federal law.² Similarly, federal regulations and policies govern reclamation and financial assurances for hardrock mining,³ onshore oil and gas extraction, and wind and solar energy development occurring specifically on federal lands, but states may also have their own requirements governing these financial assurances.⁴ In some cases, mining companies have assured payment of reclamation costs on the basis of their own finances, a practice known as self-bonding. However, the recent bankruptcy of three large coal mining companies that used self-bonds, at least in part, to provide required financial assurances has raised questions among policymakers about how the requirements that govern assurances for coal mining compare with the requirements for other mining and energy development activities that disturb the land

¹In this report, “reclaim” and “reclamation” refer to any activity required to return a site to the state it was in before the mining or energy development activity occurred.

²A state with an approved program is said to have “primacy” for that program. Currently, 24 states have primacy, and the federal government annually evaluates how well these states are implementing their programs. The federal government implements the program in 12 other states. No surface coal mining is conducted in the remaining states.

³Under U.S. mining laws, minerals are classified as locatable, leasable, or saleable. Locatable minerals—often referred to as hardrock minerals—include, for example, copper, lead, magnesium, gold, silver, and uranium.

⁴In general, states may have their own requirements governing the review of plans, environmental performance standards, reclamation, and financial assurances. For example, for hardrock mining activities, the federal government may accept a state-approved financial assurance. For more information on financial assurance requirements for these activities, see GAO, *Surface Coal Mining: Financial Assurances for, and Long-Term Oversight of, Mines with Valley Fills in Four Appalachian States*, [GAO-10-206](#) (Washington, D.C.: Jan. 14, 2010); *Hardrock Mining: BLM Needs to Better Manage Financial Assurances to Guarantee Coverage of Reclamation Costs*, [GAO-05-377](#) (Washington, D.C.: June 20, 2005); *Oil and Gas Bonds: Bonding Requirements and BLM Expenditures to Reclaim Orphaned Wells*, [GAO-10-245](#) (Washington, D.C.: Jan. 27, 2010); and *Renewable Energy: BLM Has Limited Assurance That Wind and Solar Projects Are Adequately Bonded*, [GAO-15-520](#) (Washington, D.C.: June 5, 2015).

surface.⁵ Two agencies within the Department of the Interior—the Office of Surface Mining Reclamation and Enforcement (OSMRE) for surface coal mining and the Bureau of Land Management (BLM) for the other mining and energy development activities—are primarily responsible for federal management and oversight of these activities.

You asked us to review financial assurance requirements for coal mining and how these requirements compare with those for other mining and energy development activities. This report describes federal requirements regarding the financial assurances companies provide for reclaiming lands disturbed by selected mining and energy development activities, specifically surface coal mining, hardrock mining, onshore oil and gas extraction, and wind and solar energy development.⁶

To identify requirements, we reviewed applicable federal statutes—including the Surface Mining Control and Reclamation Act of 1977, the Mineral Leasing Act, and the Federal Land Policy and Management Act of 1976—and federal regulations, policies, and other guidance.⁷ We did not examine state requirements in this report. Our review focused on federal requirements as of December 2016; some mining or energy development activities may be operating under previously existing requirements (i.e., “grandfathered”). We selected hardrock mining, onshore oil and gas extraction, and wind and solar energy development to compare with surface coal mining because these activities also disturb the surface of the land, and companies undertaking these activities on federal lands are required to reclaim the land once development is completed. We interviewed officials in OSMRE and BLM concerning the requirements we identified to ensure that we identified all relevant requirements. We summarized these requirements with respect to various aspects of financial assurances for these mining and energy development activities.

We conducted this performance audit from May 2016 to December 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Federal Financial Assurance Requirements for Mining and Energy Development Activities

Federal requirements for financial assurances for surface coal mining, hardrock mining, onshore oil and gas extraction, and wind and solar energy development are broadly similar, but some differences exist, such as with the types of financial assurances allowed and how agencies are to review them. Federal laws, regulations, and policies govern various aspects of financial assurances for these activities, including (1) when financial assurances are required, (2) the types of financial assurances allowed, (3) the amount of financial assurances required, (4) when

⁵This report discusses both regulations and policies. For brevity, we refer to both as “requirements” in this report.

⁶In this report, we grouped oil and gas extraction activities together because they have the same regulatory frameworks. We grouped wind and solar development activities together for the same reason.

⁷Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. §§ 1201-1328 (2016); Mineral Leasing Act, codified at scattered sections of Title 30, U.S.C.; and Federal Land Policy and Management Act of 1976, 43 U.S.C. §§ 1701–1787 (2016).

financial assurances need to be reviewed, and (5) when financial assurances are released or forfeited.

Requirements for When to Provide Financial Assurances

For all four mining and energy development activities we reviewed, companies are generally required to provide financial assurances before beginning mining or energy development activities (see table 1). However, there are some exceptions. For example, companies may engage in coal exploration activities that remove 250 tons of coal or less without posting a financial assurance. In addition, companies undertaking hardrock mining activities are not required to provide financial assurances when their activities cause little or no disturbance, which BLM defines as “casual use.”⁸

Table 1: Federal Requirements for When Companies Are to Provide Financial Assurances for Selected Mining and Energy Development Activities

Activity	When companies are to provide financial assurances
Surface coal mining ^a	Before a company starts mining operations ^b
Hardrock mining ^c	Before a company starts mining operations that constitute more than casual use ^d
Onshore oil and gas extraction ^e	Before a company starts surface disturbing activities related to drilling
Wind and solar energy development ^f	Before a company starts ground disturbing activities

Source: GAO analysis of federal regulations and policies. | GAO-17-207R

Note: In this table, we use “requirements” to refer to both regulations and policies.

^a30 C.F.R. § 800.11(a) (2016).

^bA company may engage in coal exploration activities that remove 250 tons of coal or less without posting a financial assurance.

^c43 C.F.R. §§ 3809.500, .503(c) (2016).

^d“Casual use” means activities ordinarily resulting in no or negligible disturbance of the public lands or resources and generally includes the collection of geochemical, rock, soil, or mineral specimens using hand tools; hand panning; or non-motorized sluicing, among other things.

^e43 C.F.R. § 3104.1(a) (2016).

^fWind and solar energy development requirements reflect a new rule that has been finalized by the agency but which will not take effect until 30 days after it is published in the Federal Register, which agency officials expect to occur in December 2016. Bureau of Land Management, *Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections for 43 CFR Parts 2800 and 2880* (Washington, D.C.: Nov. 10, 2016).

Types of Financial Assurances Allowed

Federal requirements generally allow companies to use similar types of financial assurances when conducting mining or energy development activities but some differences exist (see table 2). For example, the federal requirements for the mining and energy development activities we reviewed all allow for the use of cash,⁹ certificates of deposit, certain bonds or

⁸43 C.F.R. §§ 3809.5, .500 (2016). Casual use means activities ordinarily resulting in no or negligible disturbance of the public lands or resources, and generally includes the collection of geochemical, rock, soil, or mineral specimens using hand tools; hand panning; or non-motorized sluicing, among other things.

⁹For the purposes of this report, we include cashier’s and certified checks as “cash.”

securities, and surety bonds.¹⁰ In addition, requirements for surface coal and hardrock mining allow for the use of bond pools approved by the state. For example, according to the OSMRE website, for surface coal mining, some states authorize or require the company to participate in a bonding system in which the company posts a conventional financial assurance (e.g., a surety bond or cash). The states determine the amount of this financial assurance by multiplying the number of acres in the permit area by a flat per-acre assessment, which may vary depending on the type and site-specific characteristics of the planned mining operation.¹¹ In addition, the company generally is to pay an annual acreage fee or a tonnage fee as coal is mined. These funds are used to reclaim any site for which a participant in the bond pool fails to complete all reclamation obligations.

In contrast, surface coal mining is the only activity we reviewed for which federal requirements allow real property—collateral in the form of real estate—or self-bonding.¹² Self-bonding used to be allowed for hardrock mining, but BLM adopted regulations in 2001 prohibiting the practice for new operations, in part because of concerns that self-bonds were less secure than other forms of financial assurances.¹³ Similar concerns have led OSMRE to review its policies on self-bonding. For example, in August 2016, OSMRE issued a policy advisory to state agencies that regulate surface coal mining regarding the financial assurance practices for surface coal mining.¹⁴ Specifically, the policy suggests that state regulatory agencies electing to accept self-bonds immediately assess whether they should continue to do so. In September 2016, OSMRE also stated that it would propose revisions to its regulations on self-bonding, such as creating new financial assurance instruments to provide industry with more options or requiring diversified financial assurances.¹⁵ OSMRE cannot prohibit the practice in regulation because self-bonding is explicitly allowed by the Surface Mining Control and Reclamation Act.

¹⁰In general, a surety bond is a guarantee that a third party, a surety company, will pay the bond amount in the event that the bonded party defaults.

¹¹OSMRE may approve, as part of a state or federal program, an alternative bonding system if it will achieve the following: (1) assure that the regulatory authority will have available sufficient money to complete the reclamation plan for any areas that may be in default at any time; and (2) provide a substantial economic incentive for the permittee to comply with all reclamation provisions. Bond pools can qualify as one such alternative.

¹²In contrast to a surety bond, a self-bond does not involve a third-party guarantor; in other words it is the company's own promise to pay.

¹³According to a BLM official, as of October 2016, 12 of the 1,382 hard rock mining financial assurances held by the agency were corporate guarantees, a type of self-bond. These assurances are for operations that were grandfathered in when the policy changed.

¹⁴Office of Surface Mining Reclamation and Enforcement, *Policy Advisory: Self-Bonding* (Washington, D.C.: Aug. 9, 2016).

¹⁵81 Fed. Reg. 61,612 (Sept. 7, 2016). OSMRE has not yet established a timeline for these revisions.

Table 2: Types of Financial Assurances Allowed under Federal Requirements for Selected Mining and Energy Development Activities

Type of financial assurance ^a	Surface coal mining ^b	Hardrock mining ^c	Onshore oil and gas extraction ^d	Wind and solar energy development ^e
Cash ^f	✓	✓	✓	✓
Certificate of deposit	✓	✓	✓	✓
Insurance		✓		✓
Investment grade rated securities	✓	✓		
Irrevocable letter of credit	✓	✓	✓	✓
Negotiable bond or treasury security	✓	✓	✓	✓
Real property	✓			
Self-bond	✓			
State bond pool	✓ ^g	✓		
Surety bond	✓	✓	✓	✓

Source: GAO analysis of federal regulations and policies. | GAO-17-207R

Note: In this table, we use “requirements” to refer to both regulations and policies.

^aGeneral types of financial assurances are presented. The specific regulations and policies applicable to each type of financial assurance under each program may vary.

^b30 C.F.R. §§ 800.5(b), .11, .12 (2016).

^c43 C.F.R. § 3809.555, .571(b) (2016).

^d43 C.F.R. § 3104.1 (2016).

^eWind and solar energy development requirements reflect a new rule that has been finalized by the agency but which will not take effect until 30 days after it is published in the Federal Register, which agency officials expect to occur in December 2016. Bureau of Land Management, *Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections for 43 CFR Parts 2800 and 2880* (Washington, D.C.: Nov. 10, 2016).

^fCash includes cashier’s and certified checks.

^gBond pools are not specifically authorized by name; however, the Department of the Interior’s Office of Surface Mining Reclamation and Enforcement may approve, as part of a state or federal program, an alternative bonding system, if it will achieve the following objectives: (1) assure that the regulatory authority will have available sufficient money to complete the reclamation plan for any areas that may be in default at any time; and (2) provide a substantial economic incentive for the permittee to comply with all reclamation provisions. Bond pools can qualify as one such alternative.

Amount of Financial Assurances and How It Is Determined

The amount of financial assurances required is generally determined on the basis of the estimated cost of reclamation, but minimum amounts are also established for some activities (see table 3). For example, federal regulations for surface coal mining state that the regulatory authority, which can be a state agency or OSMRE, determines the amount of the financial assurance.¹⁶ The regulatory authority is to do so on the basis of an estimated cost of reclamation submitted by the mining company and with consideration of the probable difficulty

¹⁶The Surface Mining Control and Reclamation Act allows an individual state to develop its own program to implement the act if the Secretary of the Interior finds that the state program is in accordance with federal law. OSMRE regulations also establish a minimum financial assurance amount of \$10,000.

that factors such as topography, geology, hydrology, or revegetation will generate.¹⁷ The amount is also to assure the completion of reclamation work if the work needs to be performed by the regulatory authority rather than the mining company itself. BLM uses a similar process for determining financial assurance amounts for hardrock mining.

Table 3: Federal Requirements for the Amount of Financial Assurances and How It Is Established for Selected Mining and Energy Development Activities

Activity	Amount of financial assurances required and how amount is established
Surface coal mining ^a	<p><u>Minimum amount:</u> Amount shall be sufficient to assure the completion of the reclamation plan if the work has to be performed by the regulatory authority. Amount for one permit cannot be less than \$10,000.</p> <p><u>How amount is established:</u> By the regulatory authority, based on estimated cost of reclamation.</p>
Hardrock mining ^b	<p><u>Minimum amount:</u> Amount shall be sufficient to hire a third party contractor to perform the reclamation work including the Bureau of Land Management's (BLM) costs to administer the reclamation contract.</p> <p><u>How amount is established:</u> Based on the estimated cost of reclamation and contract administration, as determined by the company and approved by BLM.</p>
Onshore oil and gas extraction ^c	<p><u>Minimum amount:</u> \$10,000 for an individual lease, \$25,000 for all of a company's leases within a single state, and \$150,000 for all of a company's leases nationwide.</p> <p><u>How amount is established:</u> Defined in regulation but totals must ensure compliance with law, including reclamation requirements.</p>
Wind and solar energy development ^d	<p><u>Minimum amount:</u>^e</p> <ul style="list-style-type: none"> • Wind energy projects—\$2,000 per meteorological tower, \$10,000 per turbine with less than 1-megawatt capacity, and \$20,000 per turbine with 1-megawatt or greater capacity. • Solar energy projects—\$10,000 per acre. <p><u>How amount is established:</u></p> <ul style="list-style-type: none"> • Minimum amounts—which apply within certain preferred areas called designated leasing areas—are defined in regulation. • Outside designated leasing areas, amount is based on estimated cost of reclamation, as determined by the company and approved by BLM, and may be higher than the minimum.

Source: GAO analysis of federal regulations and policies. | GAO-17-207R

Note: In this table, we use "requirements" to refer to both regulations and policies.

^a30 C.F.R. § 800.14 (2016).

^b43 C.F.R. § 3809.554 (2016).

^c43 C.F.R. §§ 3104.1-3 (2016).

^dWind and solar energy development requirements reflect a new rule that has been finalized by the agency but which will not take effect until 30 days after it is published in the Federal Register, which agency officials expect to occur in December 2016. Bureau of Land Management, *Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections for 43 CFR Parts 2800 and 2880* (Washington, D.C.: Nov. 10, 2016).

^eIn general, the standard amounts also serve as minimum amounts for financial assurances, but an operator may request an alternative amount on a case-by-case basis.

For oil and gas extraction activities, BLM regulations establish minimum financial assurance amounts of \$10,000 for an individual lease, \$25,000 for all of a company's leases within a single state, and \$150,000 for all of a company's leases nationwide.¹⁸ The regulations also require or

¹⁷According to BLM officials, BLM reviews and verifies the estimated cost of reclamation submitted by the mining company.

¹⁸BLM issues leases for oil and gas resources on and beneath BLM land, beneath other federal agencies' land, and beneath private land where the federal government owns the mineral rights. The minimum financial assurance amounts were established in the 1950s and 1960s and have not been updated. See [GAO-10-245](#).

authorize BLM to increase the amount of financial assurances in certain circumstances. For example, if a company has, in the previous 5 years, not completed required reclamation in a timely manner and BLM has had to make a demand on its financial assurance, BLM is to require an amount sufficient to cover the estimate of the reclamation cost if that estimate is higher than the regulatory minimum. BLM may also require an amount higher than the minimum when it determines the company poses a risk because of certain factors, such as a history of violating lease conditions.

BLM finalized a rule in November 2016 that establishes revised financial assurance requirements for wind and solar energy development.¹⁹ Under this rule, the amount of financial assurance required differs depending on whether a project is located in certain areas—called designated leasing areas—that have been identified as being preferred for wind and solar energy development. Within such areas, BLM established standard amounts²⁰ for the financial assurances required—\$2,000 per meteorological tower, \$10,000 per turbine with less than 1-megawatt capacity, and \$20,000 per turbine with 1-megawatt or greater capacity for wind energy development and \$10,000 per acre for solar energy development.²¹ Outside designated leasing areas, the amount required is based on the estimated cost of reclamation, as determined by the company and approved by BLM, and may be higher than the standard amounts.

Review of Financial Assurances

For all four activities we reviewed, the regulatory authority is required to periodically review the financial assurances that companies have provided to ensure the amount continues to be sufficient to fulfill requirements (see table 4).²² For onshore oil and gas extraction, it is BLM policy to review financial assurances at least every 5 years. BLM may review assurances for oil and gas activities more frequently if, for example, the company has a history of noncompliance with permit conditions or of nonpayment of monies due. In contrast, regulations for surface coal mining, hardrock mining, and wind and solar energy development do not specify a period for reviewing financial assurances. For surface coal mining, regulations require assurances to be reviewed “from time to time” as the area being disturbed or the cost of reclamation changes, whereas for wind and solar energy development, regulations state that the BLM is to periodically review the bond for adequacy.²³ Similarly, for hardrock mining, regulations state that BLM is to

¹⁹Bureau of Land Management, *Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections for 43 CFR Parts 2800 and 2880* (Washington, D.C.: Nov. 10, 2016). Among other things, the new rule establishes designated leasing areas and a minimum bond amount for solar energy development. This rule will take effect 30 days after it is published in the Federal Register, which agency officials expect to occur in December 2016.

²⁰In general, the standard amounts also serve as minimum amounts for financial assurances, but an operator may request an alternative amount on a case-by-case basis.

²¹Meteorological towers—usually no taller than 60 meters—are used to gather data to help determine if a wind energy project will be viable. Wind turbines generally capture the wind’s energy with two or three propeller-like blades mounted on a rotor sitting atop a tower.

²²For surface coal mining, as discussed above, the regulatory authority may be either a state or OSMRE. For the other activities reviewed, BLM is the regulatory authority.

²³30 C.F.R. § 800.15(a) (2016).

periodically review the estimated cost of reclamation and the adequacy of financial assurance. However, BLM's policy sets the frequency of these periodic reviews at 2 or 3 years, depending on the size of the operation.²⁴ In addition, for hardrock mining, assurances are to be reviewed if the company changes its planned operations or if the estimated reclamation cost changes.

Table 4: Federal Requirements for Reviewing Financial Assurances for Selected Mining and Energy Development Activities

Activity	Federal requirements for reviewing financial assurances
Surface coal mining ^a	<p><u>Who reviews:</u> Office of Surface Mining Reclamation and Enforcement or a state with its own approved program</p> <p><u>Frequency of review:</u> From “time to time”</p> <p><u>Triggers for review:</u> If the area requiring financial assurance coverage increases or decreases or if the cost of future reclamation changes</p>
Hardrock mining ^b	<p><u>Who reviews:</u> Bureau of Land Management (BLM)</p> <p><u>Frequency of review:</u> Periodically (every 2 or 3 years depending on the size of the operation)^c or contingent on modifications to planned operations</p> <p><u>Triggers for review:</u> Every 2 or 3 years for periodic reviews or if planned operations are modified and estimated reclamation costs change</p>
Onshore oil and gas extraction ^d	<p><u>Who reviews:</u> BLM</p> <p><u>Frequency of review:</u> At least every 5 years</p> <p><u>Triggers for review:</u> At least every 5 years or when BLM determines a review is warranted</p>
Wind and solar energy development ^e	<p><u>Who reviews:</u> BLM</p> <p><u>Frequency of review:</u> Periodically</p> <p><u>Triggers for review:</u> Not specified</p>

Source: GAO analysis of federal regulations and policies. | GAO-17-207R

Note: In this table, we use “requirements” to refer to both regulations and policies.

^a30 C.F.R. § 800.15(a) (2016).

^b43 C.F.R. §§ 3809.554, 580(a) (2016).

^cFrequency of periodic reviews is set by policy in Bureau of Land Management, *Surface Management Handbook, H-3809-1* (Washington, D.C.: Sept. 17, 2012).

^dBureau of Land Management, *Instruction Memorandum No. 2013-151* (Washington, D.C.: July 3, 2013).

^eWind and solar energy development requirements reflect a new rule that has been finalized by the agency but which will not take effect until 30 days after it is published in the Federal Register, which agency officials expect to occur in December 2016. Bureau of Land Management, *Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections for 43 CFR Parts 2800 and 2880* (Washington, D.C.: Nov. 10, 2016).

Release or Forfeiture of Financial Assurances

Federal requirements generally allow for financial assurances to be released (i.e., returned to the company or cancelled) when required reclamation work is complete. For three of the four activities we reviewed, the regulatory authority may release financial assurances when a portion of the reclamation work is completed. For example, for surface coal mining activities, the regulatory authority can release 60 percent of the financial assurance when backfilling, regrading, and drainage control are complete. A company generally forfeits its financial assurances if it does not perform the reclamation work required by regulators. In the case of forfeiture, if the financial assurance amount is insufficient to cover the required work, the

²⁴Bureau of Land Management, *Surface Management Handbook, H-3809-1* (Washington, D.C.: Sept. 17, 2012).

company remains responsible for paying for or completing the work. Table 5 summarizes the federal requirements for releasing and forfeiting financial assurances.

Table 5: Federal Requirements for the Release and Forfeiture of Financial Assurances for Selected Mining and Energy Development Activities

Activity	When financial assurances can be released (returned to the company or cancelled)	When financial assurances can be forfeited
Surface coal mining ^a	<ul style="list-style-type: none"> • When required reclamation work has been accomplished • When the operator has completed a portion of the reclamation work, a portion of the financial assurance may be released. 	If the operator refuses or is unable to conduct reclamation, does not meet permit terms, or defaults on the conditions of the financial assurance
Hardrock mining ^b	<ul style="list-style-type: none"> • When required reclamation work has been accomplished • When the operator has completed a portion of the reclamation work, a portion of the financial assurance may be released. 	If the operator refuses or is unable to conduct reclamation, fails to meet the terms of approved operations, or defaults on any condition under which the financial assurance was obtained
Onshore oil and gas extraction ^c	<ul style="list-style-type: none"> • When the terms and conditions of the lease are met • Requirements do not specify whether a portion of financial assurances may be released if a portion of the reclamation work has been completed. 	If the operator defaults in the performance of the terms and conditions of the lease
Wind and solar energy development ^d	<ul style="list-style-type: none"> • When required reclamation work has been accomplished • Requirements allow for a portion of financial assurances to be released. 	If the operator violates the terms of its grants and/or refuses to correct the violations

Source: GAO analysis of federal regulations and policies. | GAO-17-207R

Note: In this table, we use "requirements" to refer to both regulations and policies.

^a30 C.F.R. §§ 800.40(c), .50(a) (2016).

^b43 C.F.R. §§ 3809.590(a), .595 (2016).

^c43 C.F.R. §§ 3104.1, .8 (2016).

^dWind and solar energy development requirements reflect a new rule that has been finalized by the agency but which will not take effect until 30 days after it is published in the Federal Register, which agency officials expect to occur in December 2016. Bureau of Land Management, *Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections for 43 CFR Parts 2800 and 2880* (Washington, D.C.: Nov. 10, 2016) and *Instruction Memorandum No. 2015-138, Change 1* (Washington, D.C.: Dec. 17, 2015).

Agency Comments

We provided a draft of this report for review and comment to the Department of the Interior. Interior did not provide written comments or indicate its agreement or disagreement with our findings but provided technical comments, which we incorporated as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the Secretary of the Interior, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you and your staff have any questions about this report, please contact Anne-Marie Fennell at (202) 512-3841 or fennella@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report were Elizabeth Erdmann (Assistant Director), Antoinette Capaccio, Jonathan Dent, Anne Rhodes-Kline, Cynthia Norris, and Guiovary Venegas.

A handwritten signature in black ink that reads "Anne-Marie Fennell". The signature is written in a cursive style with a long horizontal line underneath the name.

Anne-Marie Fennell
Director,
Natural Resources and Environment

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United States Senate

The Honorable Raúl M. Grijalva
Ranking Member
Committee on Natural Resources
House of Representatives

The Honorable Alan S. Lowenthal
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Subcommittee on Energy and Mineral Resources
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The Honorable Debbie Dingell
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