

February 8, 2012

The Honorable Ed Markey
Ranking Member
House Committee on Natural Resources
United States House of Representatives
1203 Longworth House Office Building
Washington, D.C. 20515

Dear Ranking Member Markey:

I am writing in response to your letter of January 26, 2012, to Acting Administrator Gruenspecht of the Energy Information Administration (EIA).¹ I am pleased that you find the research conducted by the Institute for Energy Research helpful in your important work as Ranking Member for the House Committee on Natural Resources.

Your letter is correct, in part. The EIA's erroneous interpretation of data provided by the Office of Natural Resources Revenue (ONRR) of the Department of the Interior (Interior) represents a serious breach of the federal government's duty of transparency. I echo your request that the EIA must correct the false oil and gas production figures it published in its 2010 Annual Energy Review. The American people deserve accurate, complete, and useful information concerning the natural resources they own.

Your letter stopped short, however, of identifying the real source of EIA's critical error. In fact, the error your letter references is but the direct result of a more troubling pattern of bureaucratic and programmatic errors at the Department of Interior—the department responsible for capturing and reporting data regarding the value and volume of oil and gas resources on federal lands. Rather than blaming the non-partisan EIA, you might want to turn your careful attention to the real culprit: a federal department so convoluted in its organization, inconsistent in its methodology, and incoherent in its reporting that not even experts at other federal agencies are able to decipher its data.

I believe you will agree that EIA's error illuminates serious data transparency problems at ONRR and at other bureaus within Interior. Given your important role as Ranking Member of the House Natural Resources Committee, you have no doubt meticulously reviewed ONRR's revenue tables and natural resource leasing information published by the other bureaus to try to determine the correct production amounts. If you have done so, you will understand Interior's published data compilations are disorganized, outdated, and opaque. And if the experts at EIA failed to correctly interpret the data, how can the American people be expected to do so?

¹ Letter from Edward J. Markey to Howard K. Gruenspecht, January 26, 2012.

First, Interior does a poor job of publishing official totals for fundamental statistics, including the amounts of oil and gas production on federal lands. ONRR's revenue tables include disclaimers stating that ONRR is not responsible for "official [energy] lease information." The responsibility to publish information about federal energy leases—including crucial production figures—is fragmented across other bureaus of Interior, including the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement (BSEE), the Bureau of Land Management (BLM), and the Bureau of Indian Affairs (BIA). Furthermore, some energy leases, such as those on Alaskan land, are tracked in completely different databases.

Second, Interior presents its data compilations in formats that make them hard to search and nearly impossible to analyze. ONRR's revenue tables are static text and cannot be downloaded (except manually, field-by-field) into spreadsheets or databases. Meanwhile, the BSEE publishes energy lease data in PDF and ASCII files that are thousands of pages long. These files were clearly generated from working databases, but Interior has chosen to present them without useful metadata or electronic structure.

Third, although Interior makes some of its energy lease databases available for query, it does not allow users to download, in bulk, the full contents of any such database. Without bulk download access to Interior's databases, Americans cannot double-check production figures, design their own queries, or provide crowd-sourced scrutiny of federal oil and gas production, acreage leased, and other important metrics for assessing the federal government's stewardship of public lands on behalf of U.S. taxpayers. Thus, the information contained in these databases is theoretically public, but it is not accessible.

On February 7, 2012, I wrote to Secretary Salazar, asking him to address Interior's chronic data transparency problems.² I pointed out that the disorganization, cumbersome formats, and opacity of Interior's data compilations violate the Obama Administration's commitment to open government.³ It also puts the United States in jeopardy of failing to meet certain international commitments that the Administration has made. In October 2011, President Obama appointed Secretary Salazar to be personally responsible for this country's compliance with the Extractive Industries Transparency Initiative (EITI). The EITI will require the United States to report oil and gas royalty revenues in a manner that allows them to be matched against similar reports by energy companies. Interior's current data transparency failures make such matching impossible. Unless Secretary Salazar acts immediately to change Interior's practices and ensure complete, accurate, useful disclosure, the United States will fall short of the standard met by EITI-compliant countries, such as Azerbaijan, the Central African Republic, Ghana, Mongolia, and Timor-Leste.⁴

I hope you will join the call for better data transparency at the Department of the Interior. Although Americans hold different views about the need to increase domestic energy production, we can agree that bureaucratic opacity serves no one. To help Americans inform themselves of

² Letter from Thomas Pyle to Interior Secretary Ken Salazar, February 7, 2012.

³ *Id.*

⁴ *Id.*

the volume and value of the resources that they own, I urge you to use the same zeal you have demonstrated in pointing out the error of EIA to find legislative solutions that modernize and transform the outdated, inconsistent, and unreliable reporting at ONRR, BOEM, BOEE, BLM, and BIA, to name a few.

Sincerely,



Thomas J. Pyle
President

Cc: The Honorable Doc Hastings
Chairman
House Committee on Natural Resources

The Honorable Darrell Issa
Chairman
House Committee on Oversight and Government Reform

The Honorable Elijah Cummings
Ranking Member
House Committee on Oversight and Government Reform

The Honorable Jeff Bingaman
Chairman
Senate Committee on Energy and Natural Resources

The Honorable Lisa Murkowski
Ranking Member
Senate Committee on Energy and Natural Resources