# 03.09.23 Full Committee Markup – Documents for the Record

- Letter to Chair Rodgers and Ranking Member Pallone from the Software & Information Industry Association (SIIA), Computer & Communications Industry Association (CCIA), and Consumer Technology Association (CTA)

- Letter to Chair Rodgers and Ranking Member Pallone from the App Association

- Letter to Chair Rodgers and Ranking Member Pallone from Neil Bradley, U.S. Chamber of Commerce

- Letter to Chair Rodgers and Ranking Member Pallone from National Consumers League

- Letter from 102 organizations

- An article entitled, "China Gas Holdings Signs Two 20-Year LNG Supply Deals with Venture Global"

- Letter from the United Steelworkers
- Letter from the Evangelical Environmental Network

- Letter from the National Association of Counties, National League of Cities, and the U.S. Conference of Mayors

- Letter from 26 environmental organizations on H.R. 1141

- Letter from 46 organizations on H.R. 1158

- Letter from Texas Democrats to Leadership in 2021
- Letter from National Association of Manufacturers
- Letter from AFPM
- Letter from ACC
- Letter from API (2.6.23)
- Letter from API (2.28.23)
- Letter from AXPC
- Letter from CLNG
- Letter from IPAA
- Letter from US Chamber of Commerce

- An article entitled, "Oil Company Begins Major New Use of Ionic Liquids: Chevron Alkylation Unit is a Breakthrough for Commercialization of the Salts" April 2021

- Statement by Steelworker working at the Marathon Refinery in Texas City, Texas

#### March 8, 2023

The Honorable Cathy McMorris Rodgers Chair House Energy & Commerce Committee Washington, DC 20515

The Honorable Frank Pallone Ranking Member House Energy & Commerce Committee Washington, DC 20515

Dear Chair McMorris Rodgers and Ranking Member Pallone:

On behalf of the below organizations, which represent hundreds of companies in the technology and information industries, we are writing to provide for the record this letter that expresses concerns with three bills that will be marked up by the Committee on March 9. The three bills – H.R. 784, the Internet Application I.D. Act; H.R. 742, the TELL Act; and H.R. 750, the CAUTION Act – would require websites to provide individuals with disclosures related to the People's Republic of China (PRC) and the Chinese Communist Party (CCP) that we believe do not achieve the Committee's intent and, by any objective measure, would be impossible to implement and comply with.

As an initial matter, we agree with the concerns animating these bills. As Chair McMorris Rodgers <u>conveyed</u> at the February 7 markup hearing, "[w]e must ensure that the technologies of tomorrow are developed in an ecosystem that promotes America's values and protects American data from CCP's malicious behaviors." Despite laudable intentions, we are concerned that the bills would ultimately undermine U.S. technological leadership and have limited effectiveness in achieving the Committee's objectives around protecting Americans' data from the PRC and CCP.

H.R. 784 would require websites that sell or distribute mobile applications owned in whole or in part by the CCP, or a non-state-owned entity <u>domiciled</u> in the PRC, to disclose such ownership to any individual residing in the United States who downloads or otherwise uses such website or application. The bill would require disclosure to be made in a clear and conspicuous manner. For several reasons, this requirement will be extremely hard, if not impossible, to implement consistently and comprehensively. Ownership interests can be complicated for corporate entities behind mobile apps - and even more for owners of the intellectual property associated with mobile apps. A company owned in whole or in part by the CCP, or a PRC-domiciled company, may have a subsidiary based outside the PRC, or have an ownership stake in a company based outside the PRC. Moreover, a person that contributed to developing a mobile app would likely be considered a copyright owner and thus would trigger the obligations of the bill. There is no existing "know your customer" legal regime to assess ownership interests of companies beyond what is self-reported, and there is no global prohibition on the CCP or PRC-based companies from owning all or part of entities in other countries. Compliance with such a requirement would require

development of sophisticated compliance programs akin to those of financial institutions and, even then, there are myriad ways to obscure ownership.

H.R. 742 would require websites that sell or distribute mobile applications to disclose to any individual in the United States, who uses or downloads from the website, whether applications store and maintain information in the PRC and whether the CCP, or a PRC state-owned entity, has access to information. If enacted, this bill would create even greater implementation challenges than H.R. 784. Simply put, it is impossible for a website to know with any degree of certainty whether the CCP, the PRC, or any PRC state-owned entity will have access to information that an individual shares with a third-party mobile application.

In any case, for a private entity to assess whether each of the thousands of mobile app developers meets the criteria set out in H.R. 784 would require direct access to the best assessments of the U.S. intelligence community on an ongoing basis. Even then, there remains a level of doubt, which will make it impossible for websites to convey to individuals with certainty whether their information may be stored and maintained in the PRC and that the CCP, or a PRC state-owned entity, has access to such information.

We are concerned as well with H.R. 750. Though limited to entities identified in the FY23 NDAA, the provision would open the door to government restriction on content in a manner that we believe warrants a full and open deliberation by Congress.

All three bills would treat non-disclosure as an unfair or deceptive act or practice under the FTC Act and would make it unlawful for a website to knowingly disclose false information (which could, presumably, include the absence of a disclosure label). Given the impossibility of determining ownership interests of all app developers, and the impossibility of knowing who will have access to information collected by mobile app developers, we are extremely concerned about these provisions. Putting the burden on the websites that sell or distribute mobile applications will create an extraordinary legal risk that will not help to achieve the goals that Congress has set out. Instead, we would encourage the Committee to amend these bills and instead place the burden of disclosure on the developers of the mobile applications. That approach has the benefit of aligning congressional intent with implementation.

We appreciate the Committee's attention to data security in the mobile app marketplace and concerns around access to Americans' data by foreign states. We would welcome an opportunity to discuss our concerns in more detail.

Respectfully submitted,

Software & Information Industry Association (SIIA) Computer & Communications Industry Association (CCIA) Consumer Technology Association (CTA)



March 7, 2023

The Honorable Cathy McMorris Rodgers Chair House Energy and Commerce Committee United States House of Representatives Washington, District of Columbia 20510 The Honorable Frank Pallone Ranking Member House Energy and Commerce Committee United States House of Representatives Washington, District of Columbia 20510

# Re: Feedback/suggestions from ACT | The App Association regarding the Telling Everyone the Location of data Leaving the U.S. Act (TELL Act, H.R. 742) and the Internet Application I.D. Act (H.R. 784)

Dear Chair McMorris Rodgers, Ranking Member Pallone,

ACT | The App Association (App Association) respectfully submits suggestions regarding HR. 742 and H.R. 784. The App Association is a global trade group for small and mediumsized technology companies. Our members are entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry. Today, the App Association represents an ecosystem valued at approximately \$1.7 trillion and supports 5.9 million American jobs. Our members create innovative solutions that drive the world's rapid embrace of mobile technology. Their products power consumer and enterprise markets across modalities and segments of the economy.

While we share the stated concerns of the bills' sponsors, we have some suggestions to help ensure that the requirements respect the complexities of cloud storage, local caching, the distributor-developer relationship, and the variability of app company ownership structures. We offer these considerations to better align the bills' language with the Committee's and sponsors' intent.

# I. Feedback regarding the Telling Everyone the Location of data Leaving the U.S. (TELL) Act (H.R. 742)

The legislation would apply to any person that maintains an internet website or that sells or distributes an online application that stores and maintains information collected from such websites or applications in China. The TELL Act would require those entities to disclose to any individual who downloads or otherwise uses such applications, in a clear and conspicuous manner, that such information is stored and maintained in China and whether the CCP or a Chinese state-owned entity has access to such information. The legislation would make it unlawful for any person to knowingly provide false information required under the disclosure and would provide enforcement authority for the Federal Trade Commission.

Concerning Section 2 (a) on Country Disclosure Requirements, we note that the concept of "storing and maintaining" may sweep in a broader set of activities than intended. Without further specification of what constitutes "storing and maintaining" information, the requirement may be interpreted to make disclosures that do not benefit American consumers. Data storage is global and fluid, and usually outside the control of small developers. This is especially the case when they rely on larger cloud providers, which small developers often do. Cloud providers, on the other hand, rely on local caching to ensure that there is a copy of a user's data close to them and so that the data can be recalled quickly for the user's convenience. Myriad scenarios come to mind where information may be stored in China but American consumers have no reason to worry about their own data being subject to access by Chinese authorities.

Although networked storage described above may be the current focus of the bill, the concept as drafted could also encompass storage by individuals on the personal devices they control. Even cloud providers (with which app developers contract) do not always control where a user stores their own data. So, if a Chinese national in China downloads an app from a U.S.-based app developer, under H.R. 742, the developer would have to disclose to U.S. consumers that "information" is stored in China. This disclosure requirement *may* be triggered because the Chinese national has downloaded the app's content and is storing it on their phone (with a copy of the data locally cached), both of which are in China. Similarly, the developer or cloud provider could cache the information the app collects about the Chinese user locally in China, which would again trigger a disclosure requirement to U.S. consumers, who are unlikely to find it relevant.

The breadth of Section 2 coverage could also require global companies outside the tech sector, like manufacturers or hotel chains (which will have at least a Chinese-facing website and possibly also apps), to disclose under H.R. 742 if they have a presence—or even a single customer—that is at any time located in China. Whether the information at issue is being stored on a device or locally on a server does not matter in this instance. The intent might be to give a U.S. consumer notice when information *about them* is stored in China, but the current wording of the requirement may result in a much broader application.

Additionally, Section 2(a) includes the new term "information collected from such website or application," which has no legal precedent as far as we know. Given the difficulties around the proliferation of definitions related to personal information, sensitive personal information, and related concepts, adding a new term to this landscape introduces yet another set of compliance issues, especially for smaller companies. Coupled with the overbroad concept of "maintains and stores," the disclosure requirement may create practically impossible compliance issues if those terms are interpreted broadly. Any kind of information that is stored and maintained in China might trigger the disclosure requirement, even if it is irrelevant to any U.S. consumer. The result in that scenario would be overnotification to the point of annoying those the bill intends to inform and possibly causing the public to eventually ignore the disclosures. The overarching effect of "maintains and stores" and "information collected from such website or application" may create a broad enough mandate that companies would likely err on the side of caution and notify consumers when any "information" is stored in China. As both sides of the Subcommittee on Innovation, Data, and Commerce noted in the 2017 hearing, "21st Century Trade Barriers: Protectionist Cross-Border Data Flow Policies' Impact on U.S. Jobs," policies that restrict the flow of data based on national boundaries in contradiction to what is currently a global internet could lead to the destruction of U.S. jobs. Without further specifying key terms of H.R. 742., the policy in this bill may push the network toward such balkanization.

Concerning Section 2(a)(2), it remains unclear whether the intent is to capture unauthorized access by CCP or address a scenario where the cloud provider or app developer is complying with a CCP investigation or demand. In the case of the latter, Electronic Communications Privacy Act (ECPA, see 18 USC 2702 and related provisions) bars such compliance with respect to communications content if the developer or cloud company is based in the United States. As amended by the Clarifying Lawful Overseas Use of Data (CLOUD) Act, ECPA does allow U.S.-based electronic communications services to comply with an investigation conducted by a country with a CLOUD Act agreement with the United States (to the extent the investigation pertains to a national of that country). However, the only country with such an agreement so far is the United Kingdom and it seems unlikely that China meets the human rights eligibility requirements of the CLOUD Act. Similarly, inappropriate attempts by CCP authorities to access other kinds of data besides "communications content" about Americans-such as metadata-may run afoul of the Undertaking Spam, Spyware, And Fraud Enforcement With Enforcers beyond Borders (U.S. SAFE WEB) Act (see 15 U.S.C. 45(a)(4)), which extends the FTC Act's prohibition on unfair or deceptive acts or practices to those taking place in foreign commerce that harm American consumers. In such cases, it may be appropriate for the FTC to investigate those access attempts as possible violations of the U.S. SAFE WEB Act.

On the other hand, if the primary concern is *unauthorized* access by CCP, the risk that CCP can succeed in these attempts always exists, wherever the data at issue is physically located. The more important question in this scenario is whether the app developer is adequately protecting and/or encrypting the data. This is yet another reason why Congress must strengthen technical protection measures like encryption, rather than weakening them. Requiring an app developer to warn consumers of the risk of a data breach concerning data unrelated to U.S. consumers, because it is stored in China, may be less valuable than meets the eye and as discussed above, suggests that any requirement to disclose in this context could create serious compliance problems if the definitions are too broad. We recommend the Committee consider at least aligning the definition of "information" with "covered information" or "sensitive covered information" definitions in the American Data Privacy Protection Act (ADPPA); adjusting the concepts of "storing and maintaining" to ensure the proper scope is captured; and limiting notification to scenarios that would more clearly affect American consumers' interests. We also have

some concerns with the disclosure requirement applying to both developers and distributors. Distributors may not be in the best position to know about the storage of data by app developers and their users, including their activities away from the app stores. A requirement for app stores to learn about developers' storage practices sufficient to enable disclosure may add disproportionate levels of friction in the app vetting processes and post-vetting interactions, including audit-style inquiries.

# II. Feedback regarding H.R. 784, the Internet Application I.D. Act

The legislation would require any person who maintains websites or that sells or distributes a mobile application that is owned, wholly or partially by the CCP or by a non-state-owned entity located in China, to conspicuously disclose to the user that such website or seller is located in China or owned by the CCP. The legislation would make it unlawful for any person to knowingly provide false information required under the disclosure and would provide enforcement authority for the FTC.

The current wording of this bill may not make it sufficiently clear in what circumstances a company would be required to make this disclosure and whether a non-state-owned entity could include individuals or if the concept is limited to corporate entities based in and incorporated under Chinese laws. For example, it is unclear if the bill would cover partial ownership by an individual investor through a private equity firm, a Chinese partner in a U.S.-based venture capital firm, or an individual or company de minimis shareholder in a large corporation. As drafted, this requirement could raise compliance issues for businesses and result in over-notification, since it is unclear if an investor or a partial owner (however small the ownership stake) is considered a "non-state-owned entity located in China." We urge the Committee to define further what constitutes a non-state-owned entity located in China before it moves forward with this bill. Similarly, we urge caution with respect to the disclosure requirement's application to both app developers and distributors. Additional inquiries by app stores into a developer's ownership structure-to support the stores' duty to notify-may add more friction at both the app vetting stage and throughout the life of the app on the stores than the drafters intend. Experience has shown platform / app store-level disclosures can be more convenient and efficient, but a legal requirement at the distributor level may create an unnecessarily invasive and disproportionate audit relationship between distributors and developers.

# III. Conclusion

The App Association hopes these considerations and suggestions are useful and assist the Committee in further refining its proposals. While we recognize and share the stated concerns the bills' sponsors want to address, we caution against unintentionally broad disclosure requirements on app developers and distributors as to data storage in China or ownership by an entity based in China. We further urge the Committee to recognize the practical compliance issues these bills could raise, as well as the impact they could have on U.S. consumers. We thank the Committee for seeking our input and look forward to assisting further.

Sincerely,

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Morgan Reed President ACT | The App Association

# U.S. Chamber of Commerce



1615 H Street, NW Washington, DC 20062-2000 uschamber.com

March 8, 2023

The Honorable Cathy McMorris Rodgers Chair Committee on Energy and Commerce U.S. House of Representatives Washington, DC 20515 The Honorable Frank Pallone Ranking Member Committee on Energy and Commerce U.S. House of Representatives Washington, DC 20515

Dear Chair McMorris Rodgers and Ranking Member Pallone:

In advance of tomorrow's Energy and Commerce Committee markup, the U.S. Chamber of Commerce applauds your Committee's focus on the broken federal permitting process. We support the legislation being considered that would draw attention to this problem and ensure greater predictability and transparency for the development of critical infrastructure. The permitting process should not take longer than it takes to build new infrastructure, and many of the bills being considered by the Committee would accelerate the investments necessary to support energy security and economic development. In addition, the Chamber looks forward to working on the three bills that focus on data protection issues, as outlined below, and we hope that these bills will be improved as the legislative process continues.

Specifically, the Chamber supports several bills aimed at ensuring reliable, secure, and affordable domestic energy supplies and supporting America's leading role in innovation and the reduction of carbon emissions:

- H.R. 1068, the "Securing America's Critical Minerals Supply Act," which would direct the Department of Energy (DOE) to analyze the U.S. critical mineral existing supply and future demand, as well as threats to the supply chain. Securing current and future sources of critical minerals is an important strategic goal for the American economy.
- H.R. 1070, a bill to streamline permitting for refining critical materials which would amend the Solid Waste Disposal Act to provide the owner or operator of a critical energy resource facility an interim permit under subtitle C that is subject to final approval by the Administrator of the Environmental Protection Agency (EPA).
- H.R. 1085, the "Researching Efficient Federal Improvements for Necessary Energy Refining (REFINER) Act," which would require the National Petroleum Council to analyze the value of U.S. petrochemical refineries to energy security, while also addressing current refining capacity, expansion potential, and risks to ensure future needs are met.
- H.R. 1130, the "Unlocking Our Domestic LNG Potential Act," which would empower U.S. natural gas exports and would help ensure that the U.S. remains a global leader in the international trade of this crucial commodity.
- H.R. 1140, a bill to unlock critical energy minerals which would authorize the Administrator of the EPA to waive application of certain requirements with respect to processing and refining a critical energy resource at a critical energy resource facility.

• H.R. 1115, the "Promoting Interagency Coordination for Review of Natural Gas Pipelines Act," which would improve the review processes necessary to support natural gas infrastructure development.

With regard to H.R. 742, the "TELL Act," H.R. 750, the "CAUTION Act of 2023," and H.R. 784, the "Internet Application I.D. Act," the Chamber agrees with the concerns animating these bills. It is important that Americans understand that the digital services that they consume may have ties to the People's Republic of China (PRC) and the Communist Party of China (CCP). Given the secrecy of the CCP, however, companies do not have the capability, as these bills would require, to determine or verify whether a website or mobile application is ultimately owned, controlled, or could be accessed by the Chinese government and the CCP. This circumstance presents a significant compliance challenge. We would welcome the opportunity to work with the committee on how best to address this challenge.

Thank you for your consideration.

Sincerely,

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Neil L. Bradley Executive Vice President, Chief Policy Officer, and Head of Strategic Advocacy U.S. Chamber of Commerce

cc: Members of the House Committee on Energy and Commerce



March 9, 2023

The Honorable Cathy McMorris Rodgers Chair Committee on Energy and Commerce 2125 Rayburn House Office Building Unites States House of Representatives Washington, DC 20515 The Honorable Frank Pallone, Jr. Ranking Member Committee on Energy and Commerce 2322 Rayburn House Office Building Unites States House of Representatives Washington, DC 20515

# RE: National Consumers League opposition to H.R. 742, H.R. 750, and H.R. 784

Dear Chair McMorris Rodgers and Ranking Member Pallone:

On behalf of the National Consumers League, I write urging you to oppose three bills – H.R. 742 (TELL Act);<sup>i</sup> H.R. 750 (CAUTION Act of 2023);<sup>ii</sup> and H.R. 784 (Internet Application ID Act)<sup>iii</sup> – that are scheduled to be marked up by the Commerce Committee at its hearing on Thursday, March 9, 2023.<sup>iv</sup> These bills, as proposed, threaten to inundate consumers in relatively useless notifications and subject website operators to unexpected liability under Section 5 of the Federal Trade Commission Act.

Protecting consumers from misuse of their data by state-based actors, including the Chinese Communist Party, is a goal that NCL supports. Unfortunately, these three bills are overly broad in scope and seek to substitute the fig leaf of disclosure for real data protections. What consumers need are enforceable obligations against unfair and deceptive data collection and use practices by state and privately-owned business in the United States and abroad that puts Americans' sensitive information at risk. Instead of passing bills that will cause consumers to be inundated with more relatively useless legalese and subject small businesses to increased Section 5 liability, the Commerce Committee should be focused on passing data protection legislation that meaningfully protects consumers' sensitive information regardless of whether a consumer is using a Chinese app or an American corporate behemoth's website. Last Congress, the Commerce Committee did just that by passing H.R. 8152, the American Data Privacy and Protection Act, by wide and bipartisan margins.<sup>v</sup> We urge the Committee to focus on passing real data security and privacy protections, not disclosure-based half measures.

Sincerely,

/s/

John D. Breyault

Vice President, Public Policy, Telecommunications, and Fraud

National Consumers League

1701 K Street, NW Suite 1200

Washington, D.C. 20006

E-mail: johnb@nclnet.org

Phone: (202) 207-2819

<sup>&</sup>lt;sup>i</sup> H.R.742 - 118th Congress (2023-2024): To require that any person that maintains an internet website or that sells or distributes a mobile application that stores and maintains information collected from such website or application in the People's Republic of China to disclose that such information is stored and maintained in the People's Republic of China and whether the Chinese Communist Party or a Chinese state-owned entity has access to such information. (2023, February 7). https://www.congress.gov/bill/118th-congress/house-bill/742

<sup>&</sup>lt;sup>ii</sup> H.R.750 - 118th Congress (2023-2024): CAUTION Act of 2023, H.R.750, 118th Cong. (2023), https://www.congress.gov/bill/118th-congress/house-bill/750.

<sup>&</sup>lt;sup>III</sup> H.R.784 - 118th Congress (2023-2024): To require any person that maintains an internet website or that sells or distributes a mobile application that is owned, wholly or partially, by the Chinese Communist Party or by a non-state-owned entity located in the People's Republic of China, to disclose that fact to any individual who downloads or otherwise uses such website or application, H.R.784, 118th Cong. (2023), https://www.congress.gov/bill/118th-congress/house-bill/784.

<sup>&</sup>lt;sup>iv</sup> Energy & Commerce Committee Majority Staff Memo to Members of the Committee on Energy and Commerce. (March 7, 2023). Online:

https://d1dth6e84htgma.cloudfront.net/Full\_Committee\_Markup\_Memo\_3\_9\_23\_c39c858e03.pdf?updated\_a t=2023-03-08T16:48:59.368Z

v House Committee on Energy & Commerce. "Bipartisan E&C Leaders Hail Committee Passage of the American Data Privacy and Protection Act." Press release. (July 20, 2022) Online: <u>https://energycommerce.house.gov/newsroom/press-releases/bipartisan-ec-leaders-hail-committee-passage-of-the-american-data-privacy</u> The Honorable Cathy McMorris Rodgers Chair Committee on Energy and Commerce 2125 Rayburn House Office Building Washington, D.C. 20515

The Honorable Bill Johnson Chair Subcommittee on Environment, Manufacturing, and Critical Materials 2125 Rayburn House Office Building Washington, D.C. 20515

The Honorable Jeff Duncan Chair Subcommittee on Energy, Climate, and Grid Security 2125 Rayburn House Office Building Washington, D.C. 20515 The Honorable Frank Pallone, Jr. Ranking Member Committee on Energy and Commerce 2125 Rayburn House Office Building Washington, D.C. 20515

The Honorable Paul Tonko Ranking Member Subcommittee on Environment, Manufacturing, and Critical Materials 2125 Rayburn House Office Building Washington, D.C. 20515

The Honorable Diana DeGette Ranking Member Subcommittee on Energy, Climate, and Grid Security 2125 Rayburn House Office Building Washington, D.C. 20515

Dear Chairs Rodgers, Johnson, and Duncan, and Ranking Members Pallone, Tonko, and DeGette:

On behalf of our millions of members and supporters, the 102 undersigned organizations write to oppose the following pieces of legislation that will be considered in the upcoming House Energy and Commerce full committee markup on Thursday, March 9th. This proposed legislation would exacerbate the climate crisis, perpetuate environmental injustices, and undermine US economic and national security by prolonging reliance on risky and volatile energy sources.

These bills would encourage new fossil fuel production and infrastructure, despite the scientific consensus that there is no room for investment in new fossil fuel production if we are to reach net zero by 2050, keeping the world on a 1.5°C compatible pathway. The bills would also undermine bedrock environmental laws, including the National Environmental Policy Act (NEPA) by short-circuiting permitting processes and limiting public input. NEPA is a critical environmental law and an important tool for frontline and environmental justice communities to influence federal infrastructure projects that will impact them the most.

In addition, by promoting the expansion of fossil fuel production and exports, these bills would delay the transition to a clean, secure, and affordable energy grid that would bring true energy independence and security. The fossil fuel industry is already raking in record profits at the expense of consumers and future generations, yet their supporters in Congress are putting forward these bills to lock us into increased extraction, high and volatile energy prices, and environmental degradation in exchange for even higher profits for oil and gas companies.

We urge opposition to the following bills:

- H.R. 1121, the **Protecting American Energy Production Act**: OPPOSE
  - Prohibits the President from issuing a moratorium on fracking unless authorized by Congress. Fracking releases massive amounts of methane, a potent greenhouse gas that has more than 80 times the power of carbon dioxide over a 20-year period, driving approximately one quarter of the warming our planet has experienced to date. Fracking also harms local communities and ecosystems by releasing air pollutants and contaminating water sources.

# • H.R. 1141, the <u>Natural Gas Tax Repeal Act</u>: OPPOSE

- Repeals the Methane Emissions Reduction Program created by the Inflation Reduction Act (IRA). This critical program supports efforts to reduce methane emissions from the oil and gas sector, improve methane monitoring, fund environmental restoration, and help communities reduce the health impacts of pollution.
- H.R. 1058, the **Promoting Cross-border Energy Infrastructure Act**: OPPOSE
  - Requires FERC to approve gas pipelines to Canada or Mexico within 30 days, significantly limits requirement for certificates of crossing for modifications to existing pipelines, and limits environmental review and public input. Decreasing scrutiny for cross-border pipelines would lead to increased emissions and deny affected communities sufficient input opportunities.
- H.Con.Res. 14, <u>Expressing disapproval of the revocation by President Biden of the</u> <u>Presidential permit for the Keystone XL pipeline</u>: OPPOSE
  - Resolution of disapproval of President Biden revoking the Presidential Permit for Keystone XL pipeline. If built, Keystone XL would have carried 830,000 gallons per day of the dirtiest oil on the planet, threatening our climate, farmland, critical water resources, and wildlife habitat along the pipeline's path.
- H.R. 1115, the <u>Promoting Interagency Coordination for Review of Natural Gas</u> <u>Pipelines Act</u>: OPPOSE
  - This bill would undercut public transparency and input from communities by limiting the time for environmental reviews. The bill alters the approval process for gas pipelines by requiring all other federal and state agencies to defer to FERC.
- H.R. 1130, the <u>Unlocking our Domestic LNG Potential Act of 2023</u>: OPPOSE
  - This bill would strip away the federal government's responsibility to examine the full impacts of LNG expansion on US energy markets, the environment, and local communities. It would make it easier to approve LNG exports by removing the first 3 sections of the Natural Gas Act, which require a public interest determination for LNG exports to non-FTA countries. LNG exports negatively impact Americans by exacerbating climate change, raising domestic energy

prices, and perpetuating environmental injustices, and these factors need to be taken into account when deciding whether to approve additional LNG export terminals.

- H.Con.Res. 17, <u>Expressing the sense of Congress that the Federal Government</u> <u>should not impose any restrictions on the export of crude oil or other petroleum</u> <u>products</u>: OPPOSE
  - This resolution expresses the sense of Congress that the Federal Government should not restrict the export of crude oil or other petroleum products. Increased oil drilling and exports have enormous climate repercussions and pollute communities and ecosystems. The Federal Government must ensure that these exports do not compromise US climate and environmental justice goals or undermine our global climate leadership.

Sincerely,

198 methods	Indivisible Ambassadors
350 New Orleans	Islamic Society of North America (ISNA)
A Community Voice	Larimer Alliance for Health, Safety and Environment
Accelerate Neighborhood Climate Action	League of Conservation Voters
Azul	Littleton Business Alliance
Beyond Extreme Energy	Louisiana Bucket Brigade
Businesses for a Livable Climate	Louisiana Environmental Action Network (LEAN)
Call to Action Colorado	Louisiana League of Conscious Voters
Carrizo Comecrudo Tribe of Texas	Mayfair Park Neighborhood Association Board
CatholicNetwork US	Mental Health & Inclusion Ministries
Catskill Mountainkeeper	Moms Clean Air Force
Center for Biological Diversity	Montbello Neighborhood Improvement Association
Center for International Environmental Law	Natural Resources Defense Council
Center for Oil and Gas Organizing	New Energy Economy
Chispa Texas	NextGen America
Citizen's Alliance for a Sustainable Englewood	North Range Concerned Citizens
Clean Air & Water Better Brazoria/Freeport Tx	Ocean Conservation Research
Clean Water Action	Ocean Defense Initiative
Climate Action Campaign	Oil and Gas Action Network
Climate Reality Project New Orleans	Oil Change International

Climate Hawks Vote	Operation HomeCare, Inc.
CO Businesses for a Livable Climate	Oxfam America
Coalition Against Death Alley	Public Citizen
Commission Shift	RapidShift Network
Community for Sustainable Energy	RESTORE
Concerned Citizens of St. John the Baptist Parish	Save EPA (former employees)
Dayenu: A Jewish Call to Climate Action	Save RGV
Earthjustice	Sierra Club
Earthworks	Society of Native Nations
Earth Ethics, Inc.	Southern Utah Wilderness Alliance
Endangered Species Coalition	Southwest Organization for Sustainability
Environment America	Spirit of the Sun, Inc.
Environmental Law & Policy Center	Sunflower Alliance
Fenceline Watch	System Change Not Climate Change
Food and Water Watch	Texas Campaign for the Environment
For a Better Bayou	The Climate Center
Friends of the Earth	The Green House Connection Center
Great Old Broads for Wilderness	The Vessel Project of Louisiana
Greater New Orleans Housing Alliance	The Wilderness Society
Greater New Orleans Interfaith Climate Coalition	Turtle Island Restoration Network
GreenFaith	Unite North Metro Denver
Green America	U.S. PIRG
Green New Deal Network	Voices for Progress
Greenpeace USA	Wall of Women
Healthy Gulf	Waterkeeper Alliance
Hip Hop Caucus	WE ACT for Environmental Justice
Hispanic federation	Western Environmental Law Center
Honor the Earth	Western Slope Businesses for a Livable Climate
I-70 Citizens Advisory Group	Womxn from the Mountain
Inclusive Louisiana	Working for Racial Equity
Indigenous Peoples of the Coastal Bend	Zero Hour

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### China Gas Holdings signs two 20-year LNG supply deals with Venture Global

By Emily Chow and Chen Aizhu



Gas storage facilities owned by China Gas Holdings are seen at a refueling station for ships in Chongqing, China December 12, 2017. Picture taken December 12, 2017. REUTERS/Chen Aizhu

China Gas Holdings Ltd Follow
China Petroleum & Chemical Corp Follow
Venture Global, Fi Follow
China Reinsurance Group Corp
Energy Transfer LP Follow



SINGAPORE, Feb 24 (Reuters) - China Gas Holdings <u>(0384.HK)</u>, one of China's largest independent gas distributors, has agreed to two 20-year liquefied natural gas (LNG) supply contracts with U.S. exporter Venture Global, adding to a flurry of deals signed between China and the U.S. since 2021.

China Gas Holdings, via its wholly owned subsidiary China Gas Hongda Energy Trading Co, would buy a total of two million tonnes per year of LNG from Venture Global under the two contracts, the company said in a statement. Supply would begin in 2027, a company executive told Reuters.

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The LNG would come from two Venture Global projects in Louisiana - Plaquemines LNG and the CP2 LNG. China Gas said it would receive 1 million tonnes of LNG annually from each project.

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Venture Global, founded by a former energy lawyer and investment banker, has rocketed to the top ranks of LNG developers with its ability to obtain financing and rapidly build plants as rivals struggled. Its Calcasieu Pass plant was producing LNG 29 months after receiving a financial go-ahead.

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Like most U.S. LNG export deals with China, the contracts were agreed on a free-on-board basis and their prices were linked to the U.S. benchmark Henry Hub gas market, the company executive said. The terms allowed buyers flexibility to either bring in the fuel to China or trade in the global market.

Europe has been the major beneficiary of China cutting its LNG imports in 2022, as the gas-starved continent has been able to buy both spot cargoes that China didn't take and some contracted cargoes that China re-sold.

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Feedback

However, the country, home to the world's fastest-growing market for the seaborne fuel, has signed a flurry of long term 20-25 year contracts with global producers, especially in the United States in 2022, with Chinese buyers alone accounting for 40% of such contracts among global players.

This would make it harder for Europe to secure enough LNG in the long term, as it will have to compete with Asian players for the supply, which will remain limited until 2027, according to analysts.

Venture Global has about <u>70 MTPA of LNG export capacity</u> in operation, construction or development in Louisiana, including the 10-MTPA Calcasieu (operation and construction), 20-MTPA Plaquemines (construction), 20-MTPA Delta (development) and 20-MTPA CP2 (development).

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In 2021, Venture Global also signed <u>several large deals</u> with firms in China, which imported more LNG in that year than any other country. It signed a 20-year deal with state oil giant Sinopec to supply 4 million tonnes of LNG a year and further agreed to provide 3.8 million tonnes a year to Unipec, a subsidiary of Sinopec.

Also in 2021, Venture Global <u>signed</u> a 20-year deal to sell 2 million tonnes of LNG a year to a unit of China National Offshore Oil Corp (CNOOC).

The company executive said China Gas owned no regasification terminal in China but could lease receiving facilities from the dominate state firms and those operated by national gas infrastructure major PipeChina.



Reporting by Emily Chow and Chen Aizhu; additional reporting by Marwa Rashad; Editing by Jacqueline Wong and Bradley Perrett, Kirsten Donovan



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March 9, 2023

# Via Email

The Honorable Cathy McMorris-Rogers, Chairwoman The Honorable Frank Pallone, Ranking Member U.S. House of Representatives House Committee on Energy and Commerce Washington, D.C. 20515

# RE: United Steelworkers opposes H.R. 1155, the "Keeping America's Refineries Act"

Dear Representative:

On behalf of the 850,000 members of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (United Steelworkers or USW), I am writing to strongly urge you to oppose H.R. 1155, the "Keeping America's Refineries Act". The USW represents the great majority of workers in America's refineries, including refineries that have Hydrogen Fluoride (HF) Alkylation units, and we have long advocated for the industry to transition to inherently safer technologies once identified and commercially available and viable. Any suggestion that USW would support shutting down even a single American refinery is not worthy of debate and should be dismissed out of hand.

Proponents of H.R. 1155 have made some shockingly inaccurate, and in some cases offensive, statements in their support of this legislation. Currently, Safer Technology Alternatives Assessments (STAA) are required under Environmental Protection Agency's (EPA) Risk Management Plan (RMP). We want to emphasize that no industrial process risks more lives from a single accident than does alkylation using hydrogen fluoride in oil refining. Remarks that RMPs are "highly unnecessary" and "came out of nowhere for no good reason" ignore the history of chemical disasters in our communities, including HF leaks, fires, and explosions. The chemical accident prevention provisions promulgated pursuant to Section 112(r) of the Clean Air Act (CAA) are designed to focus on chemicals that pose a significant hazard to the community in the event of an

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union Legislative and Policy Department, 1155 Connecticut Ave, N.W. 5<sup>th</sup> Floor, Washington, D.C. 20036

accidental release, and to prevent and minimize the consequences of such releases (59 FR 4479; January 31, 1994). EPA was required by CAA Section 112(r)(3) to promulgate an initial list of at least 100 regulated substances that are known to cause, or may reasonably be anticipated to cause, death, injury, or serious adverse effects to human health or the environment if accidentally released.

There is not a single American refinery worker who would compare the risks associated with sulfuric acid to that of HF. Additionally, there was a statement that "the average Steelworker doesn't know what we're talking about" with respect to STAA. The nearly 20,000 "average Steelworkers" who signed our petition to strengthen RMPs, including STAA, in 2018 would disagree with that factually inaccurate statement. USW members are aware of the potential for death and severe injury to themselves and their co-workers, the widespread damage and hazards to critical infrastructure, and the impact to the community should a release or explosion occur. It is our members who get hurt first and worst when these incidents occur. In fact, a member of my staff worked for 27 years in the PES South Philadelphia refinery and was working in the facility at 4AM on June 21, 2019 when it suffered massive explosions at its HF Alkylation unit. It was a terrifying and traumatic event for him, his co-workers, and the community. Their refining careers ended abruptly as a result of the disaster; a loss of over 1,000 good-paying, familysustaining jobs. The text of H.R. 1155 could be better referred to as the "Keeping America's Refineries Dangerous Act".

STAA is an important and necessary component of RMP and, quite frankly, is the bare minimum that we should expect from refiners who use a lethal substance such as HF. OSHA's General Duty Clause, which also regulates HF, is woefully insufficient on its own and does not do enough to protect workers, communities, and the environment.

In closing, I once again urge you to oppose H.R. 1155 to protect our members jobs, lives, and the communities that they live in.

Sincerely,

Housena /.

Roy Houseman Legislative Director

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union Legislative and Policy Department, 1155 Connecticut Ave, N.W. 5<sup>th</sup> Floor, Washington, D.C. 20036 202-778-4384 • 202-293-5308 (Fax) • www.usw.org March 9, 2023

The Honorable Cathy McMorris Rodgers 2188 Rayburn House Office Building Washington, D.C.

The Honorable Frank Pallone 2107 Rayburn House Office Building Washington, D.C.

### **Reference: Methane Emissions Reduction Program (MERP)**

Dear Chair Rodgers, Ranking Member Pallone, and Honorable Members of the Energy & Commerce Committee,

As pro-life evangelicals, we have a special concern for the unborn. We want children to be born healthy and unhindered by the ravages of pollution even before they take their first breath. The medical community has long known that unborn children are especially vulnerable to environmental impacts. Of these impacts, fossil fuels are the most serious threat to children's health worldwide.<sup>i</sup>

While some might not agree with our pro-life theology, all of us would agree that our children are precious and must be defended from the threats imposed by leaking poisons emitted from oil/gas production, distribution, and transportation. These include known cancer-causing toxics like benzene, VOCs that increase ozone levels, and methane. Methane is over 80 times more potent greenhouse gas than CO<sub>2</sub> in the first twenty years and a major contributor to global warming and climate-fueled extreme weather. Rising temperatures not only pose the threat of heat illness and death during heat waves, but also directly contribute to worsening ozone levels. The medical and scientific literature is clear – living within 0.5 miles of a methane extraction or production site harms our children,<sup>ii</sup> and newer research suggests that even those living further afield within a 5-mile radius may also be at risk.

Currently 17.3 million Americans, including 3.9 million children under 18 live,<sup>iii</sup> within a half mile health threat radius of active oil and gas production operations. In Pennsylvania alone, that amounts to 1,482,810 million total individuals and 202,388 children. This makes addressing fugitive and leaking methane from both existing and new oil/gas facilities a biblical and moral mandate to defend the unborn and all God's children.

Reducing oil and gas methane emissions is one of the most efficient and effective ways to defend the health of the millions of Americans living in or around active oil and gas sites while at the same time reduce needless waste of our precious natural resources and address climate change. Congress made clear that addressing methane was a priority when they passed the Methane Emissions Reduction Program (MERP) in the Inflation Reduction Act (IRA) last year.

The Evangelical Environmental Network and the over 250,000 pro-life Christians, who have acted in support of methane reduction, strongly oppose efforts to repeal the MERP by passing the Natural Gas Tax Repeal Act (H.R. 1141) or through any other means. Doing so would allow needless threats to human health (especially children both born and unborn) to persist, increase waste, exacerbate climate threats, and cost our economy valuable jobs. The MERP includes several important provisions that will help put the U.S. on a path to quickly cut methane emissions, and defend our children's health.

Let's be clear about what Methane Emissions Reduction Program (MERP) requires:

- A. MERP includes a waste emissions charge (WEC), which only applies to operators with large facilities that release over 25,000 metric tons of carbon dioxide equivalent greenhouse gas emissions each year. These large oil and gas operators are only responsible for paying the charge for the portion of emissions exceeding industrydeveloped, performance-based targets, and many large operators will not be required to pay any fees because they have already made investments to reduce their emissions. Similarly, an independent operator with hundreds of low-producing wells within a particular basin would likely be exempt from the charge.<sup>iv</sup>
- B. And of course, operators will be able to avoid assessed fees by making modest investments to reduce emissions and decrease waste. MERP also includes \$1.55 billion in funding that state agencies, communities, and oil and gas operators can use to reduce methane emissions by advancing and promoting controls to reduce emissions. These efforts and investments would further stimulate economic growth by creating tens of thousands of high-paying, good-quality American jobs in the ever-growing methane mitigation industry,<sup>v</sup> all the while reducing needless waste by incentivizing operators to capture methane that would otherwise have been emitted into the atmosphere.

MERP is a forward-looking program, set to put the U.S. on a path to successfully and efficiently reduce oil and gas methane emissions and spur economic innovation in methane mitigation. The standards and limits set in MERP are in line with the industry-set goals, and many operators understand the need to lower their emissions and have already started doing so. With this in mind, we strongly oppose H.R. 1141 and the threat it poses to children's health, God's creation, and our economy.

The Evangelical Environmental Network and its over 5 million pro-life Christians who have acted in support of clear air, pure water, and the God-given desire to seek an abundant life ask you reject this attempt to harm our children. Thank you for considering this moral request to defend life. We stand ready to support all efforts in implementing MERP and reducing methane emissions.

Blessings

The Rev. Mitchell C. Hescox President/C.E.O.

The Rev. Dr. Jessica Moerman Vice President for Science and Policy

<sup>i</sup> Perera F. Pollution from Fossil-Fuel Combustion is the Leading Environmental Threat to Global Pediatric Health and Equity: Solutions Exist. *Int J Environ Res Public Health*. 2017;15(1):16. Published 2017 Dec 23. doi:10.3390/ijerph15010016

<sup>ii</sup> Hays J, Shonkoff SBC (2016) Toward an Understanding of the Environmental and Public Health Impacts of Unconventional Natural Gas Development: A Categorical Assessment of the Peer- Reviewed Scientific Literature, 2009-2015. PLoS ONE 11(4): e0154164. doi:10.1371/journal. pone.0154164

https://oilandgasthreatmap.com/threat-map/

<sup>iv</sup> See for example: https://www.ogci.com/action-and-engagement/reducing-methane-emissions/#methane-target and https://onefuture.us/2022-methane-emissions-intensity-report/

<sup>v</sup> CATF. (2022) "Good Rules, Good Jobs: Employment Opportunities From Emissions Standards for Oil and Gas." https://cdn.catf.us/wp-content/uploads/2022/10/04105136/CATF\_OilGasJobsReport-1.pdf.







# THE UNITED STATES CONFERENCE OF MAYORS

March 7, 2023

The Honorable Cathy McMorris Rodgers Chair Committee on Energy and Commerce 2188 Rayburn House Office Building Washington, DC 20515 The Honorable Frank Pallone Ranking Member Committee on Energy and Commerce 2107 Rayburn House Office Building Washington, DC 20515

Dear Chair Rodgers and Ranking Member Pallone,

On behalf of the nation's counties, cities and mayors, we write to express our strong opposition to any proposal to rescind federal funds intended for states and local governments. Specifically, we oppose H.R. 1023, which would eliminate the Greenhouse Gas Reduction Fund (GGRF) and rescind the \$27 billion appropriated for the Fund in the Inflation Reduction Act (IRA). Local governments are directly eligible for \$7 billion under the GGRF to award grants and loans for zero-emissions technologies in low-income and disadvantaged communities. If this bill is enacted, local governments across the country will lose access to critical funding needed to bring affordable clean energy to our residents.

The GGRF is split into two competitive grant programs. The first will provide \$19.97 billion to nonprofit financial organizations such as community development financial institutions (CDFIs), credit unions and green banks to provide loans and grants for greenhouse gas and air pollution-reduction programs. The second provides \$7 billion for local, state and tribal governments, as well as nonprofit financial institutions, to make grants and loans for the deployment of residential rooftop solar, community solar and related infrastructure.

While both programs are poised to serve as valuable catalysts in the adoption and advancement of zeroemissions technology, the \$7 billion program for which local governments are directly eligible is particularly critical to ensuring that low-income and disadvantaged communities, including rural communities, are not left behind in the energy transition and are able to access clean energy at an affordable rate.

Further, the GGRF will help local governments in meeting their greenhouse gas reduction goals by providing counties and cities with the tools necessary to incentivize renewable energy and energy efficiency improvements. Repealing the GGRF and blocking access to these resources will obstruct this work and undermine the intergovernmental partnership essential to increasing resiliency nationwide.

We appreciate your consideration of the local government perspective on this issue and strongly urge you to oppose H.R. 1023. We hope Congress will stand with local governments to prevent any proposed recoupment of already enacted resources. If you have any questions, please contact our staff: Sarah Gimont (NACo) at 202-942-4254 or sgimont@naco.org; Carolyn Berndt (NLC) at 202-626-3101 or Berndt@nlc.org; or Judy Sheahan (USCM) at 202-355-8540 or jsheahan@usmayors.org

Sincerely,

alle Dehoe

Matthew D. Chase CEO and Executive Director National Association of Counties

Co-

Clarence E. Anthony CEO and Executive Director National League of Cities

tom cochran

Tom Cochran CEO and Executive Director The U.S. Conference of Mayors

CC:

The U.S. House of Representatives Committee on Energy and Commerce

March 9, 2023

The Honorable Cathy McMorris Rodgers 2188 Rayburn House Office Building Washington, D.C.

The Honorable Frank Pallone 2107 Rayburn House Office Building Washington, D.C.

Dear Chair Rodgers, Ranking Member Pallone, and Honorable Members of the Energy & Commerce Committee,

Reducing oil and gas methane emissions is one of the most efficient and effective ways to address climate change, reduce needless waste, and protect the health of the millions of Americans living in or around active oil and gas sites. Congress made clear that addressing methane was a priority when they passed the Methane Emissions Reduction Program (MERP) in the Inflation Reduction Act (IRA) last year.

The groups listed below strongly oppose efforts to repeal the MERP by passing the Natural Gas Tax Repeal Act (H.R. 1141) or through any other means. Doing so would harm the climate, impair public health, increase waste, and cost our economy valuable jobs.

The MERP includes several important provisions that will help put the U.S. on a path to quickly cut methane emissions, which have already warmed the planet 0.5°C (total warming to date is about 1°C).<sup>1</sup> These provisions include a waste emissions charge (WEC), which only applies to operators with large facilities that release over 25,000 metric tons of carbon dioxide equivalent greenhouse gas emissions each year. These large oil and gas operators are only responsible for paying the charge for the portion of emissions exceeding industry-developed, performance-based targets, and many large operators will not be required to pay any fees because they have already made investments to reduce their emissions. Similarly, an independent operator with hundreds of low-producing wells within a particular basin would likely be exempt from the charge.<sup>2</sup> And of course, operators will be able to avoid assessed fees by making modest investments to reduce emissions and decrease waste.

MERP also includes \$1.55 billion in funding that state agencies, communities, and oil and gas operators can use to reduce methane emissions by advancing and promoting controls to reduce emissions. These efforts and investments would further stimulate economic growth by creating tens of thousands of high-paying, good-quality American jobs in the ever-growing methane mitigation industry,<sup>3</sup> all the while reducing needless waste by incentivizing operators to capture methane that would otherwise have been emitted into the atmosphere.

MERP is a forward-looking program, set to put the U.S. on a path of successfully and efficiently reducing oil and gas methane emissions and spurring economic innovation in methane

<sup>&</sup>lt;sup>1</sup> IPCC, WGI, Summary for Policymakers 7 (2021), <u>https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC\_AR6\_WGI\_SPM.pdf</u> <sup>2</sup> See for example: <u>https://www.ogci.com/action-and-engagement/reducing-methane-emissions/#methane-target</u> and <u>https://onefuture.us/2022-methane-emissions-intensity-report/</u>

<sup>&</sup>lt;sup>3</sup> CATF. (2022) "Good Rules, Good Jobs: Employment Opportunities From Emissions Standards for Oil and Gas." <u>https://cdn.catf.us/wp-content/uploads/2022/10/04105136/CATF\_OilGasJobsReport-1.pdf</u>

mitigation. The standards and limits set in MERP are in line with the industry-set goals, and many operators understand the need to lower their emissions and have already started doing so. With this in mind, we strongly oppose H.R. 1141 and the threat it poses to the environment, the economy, and individuals throughout the country.

We thank you for your consideration and stand ready to support your efforts to continue implementing MERP and reducing methane emissions in all sectors.

Sincerely,

Breathe Utah Change the Chamber **Clean Air Council Clean Air Task Force** Conservation Voters New Mexico Defend Our Future Earthjustice Earthworks Environmental Defense Fund Keep It Wild League of Conservation Voters Liveable Arlington Moms Clean Air Force National Parks Conservation Association Natural Resources Defense Council New Mexico & El Paso Interfaith Power and Light Northern Plains Resource Council **Ohio Environmental Council** PA-Jewish Earth Alliance Pennsylvania Environmental Council **Responsible Decarbonization Alliance** Sierra Club Waterkeeper Alliance Western Colorado Alliance Western Environmental Law Center Western Leaders Network

March 8, 2023

### Re: Vote Recommendation on H.R. 1158, "Elimination of Future Technology Delays Act"

Dear Representative XX:

The undersigned 46 organizations write to express our strong opposition, and to urge you to vote against H.R. 1158, "Elimination of Future Technology Delays Act," which will be marked up in the Energy and Commerce Committee on Thursday, March 9. In just three short pages, the bill would reverse and eviscerate several of the core reforms to the Toxic Substances Control Act (TSCA) that passed the House and Senate with overwhelming bipartisan support just a few years ago.

The bill would make it virtually impossible for EPA to meaningfully review the safety of new chemicals that are classified as "critical energy resources," regardless of their health risks. The bill promotes cursory assessments, followed by default approvals, of any new chemical that is deemed necessary for a "critical energy resource," no matter how toxic, how persistent, or how mobile in the environment.

The legislation would sacrifice public health and safety – for children, workers, the elderly and fenceline communities – to expedite production of any potentially toxic chemical that the industry can persuade the Department of Energy, which is not charged with reviewing the health and safety of chemicals, to deem a "critical energy resource." We already know the limitless scope of what the chemical industry is likely to claim as "critical" based on their previous insistence that some of the most toxic chemicals in existence are "critical" for renewable energy or energy security, including PFAS,[1] asbestos,[2] and lead.[3]

Congress acknowledged TSCA's failure to address a host of dangerous chemicals including asbestos, TCE, methylene chloride and PFAS; and strengthened the law seven years ago with near unanimous support. This bill would roll back those protections.

The bill would:

 Mandate that EPA's risk assessment determination of chemicals, rather than continuing to focus on their potential health risks, must also include the consideration of economic costs and benefits when evaluating whether the chemical substance poses an unreasonable risk (as opposed to basing safety determinations solely on risks to health or the environment). The prioritization of economic considerations over public health protection was the major flaw that stymied progress under the old TSCA, and Congress's deliberate shift to risk-based evaluations and decision-making was the fundamental reform that brought the law back to life after being rendered ineffective and badly in need of reform.

- Allow new chemicals to begin production before EPA has completed its determination whether they pose an unreasonable risk to human health or the environment. Because Congress wanted EPA to make an affirmative determination of safety for all new chemicals, TSCA explicitly provides that no new chemical can enter production until that determination has been made. The bill would completely reverse this policy.
- In addition to the newly added consideration of economic costs to EPA's analysis, which
  will lengthen the time necessary for review, the bill simultaneously prevents EPA from
  extending the review period for chemicals designated "critical energy resources." The
  inevitable result will be rushed and superficial reviews that fail to identify risks to health
  and the environment or incomplete reviews that result in default approvals of unsafe
  chemicals. As we have seen over and over, once a toxic chemical begins manufacture
  without a thorough review by EPA, it is almost impossible to end its production, or to
  retrospectively establish sufficient protections from the chemical to protect the public.
- Create a limitless loophole from TSCA's chemical assessment and health protection requirements. "Critical energy resource" is an open-ended and undefined concept that could apply to virtually any chemical that plays a role in the production, refining, distribution, and use of energy and is designated as "critical" by the Department of Energy. Once a substance is deemed to be a "critical energy resource" and therefore fast tracked through the TSCA pre-manufacture notice (PMN) process, there is no limit on how the substance can then be used beyond its ostensible "critical energy resource" use and no constraint on non-energy applications that could be harmful to health and the environment.

The bill would establish a precedent for enacting further loopholes to gut the health protective provisions of the Act. If it is acceptable to circumvent health reviews of chemicals for "critical energy resources," what is the principle that will prevent other broad categories or uses of toxic chemicals from essentially being exempt from the safety review under Section 5 of TSCA?

Notably missing from the bill are any findings demonstrating the need for the legislation. According to a February 17th Government Accountability Office report,[4] of the more than 1,200 PMNs that EPA received between June 2016 and May 2022, the agency did not use its authority to prohibit the commercialization of the new chemical once, and it only issued 13 orders that condition the commercialization of the chemical upon additional testing. The other 99.9% of the PMNs were approved for immediate commercialization.

Further, there is no evidence that the public must sacrifice health protections from toxic chemicals in exchange for clean energy. We can develop and deploy new energy technologies without waiving chemical review requirements or placing the communities burdened by PFAS and other toxic chemicals at risk. The bill's rejection of that clean and health-protective energy future sells American innovation short.

Overwhelmingly, the public needs and wants more, not less, protection from toxic chemicals.[5] Yet H.R. 1158 would roll back critical public health protections and weaken a core environmental law.

We look forward to speaking to all Members about the pernicious and dangerous nature of this legislation and working to prevent it from becoming law.

Sincerely,

5 Gyres Institute Alaska Community Action on Toxics American Sustainable Business Network Beaver County [PA] Marcellus Awareness Community (BCMAC) **Beyond Plastics Breathe Project** Carrizo Comecrudo Tribe of Texas Center for Biological Diversity Center for Environmental Health Clean Water Action Clean+Healthy **Coming Clean** Defend Our Health Earthjustice **Ecology Center EDF** Action **Environment America Environmental Protection Network** Environmental Working Group Family Farm Defenders Farmworker Association of Florida FracTracker Alliance FreshWater Accountability Project Friends of the Earth Green Science Policy Institute Healthy Gulf Healthy Schools Network Inclusive Louisiana Just Transition Alliance M-W & Associates **Micah Six Eight Mission** Moms Clean Air Force Moms for a Nontoxic New York Mountain Watershed Association

Natural Resources Defense Council (NRDC) Northwest Center for Alternatives to Pesticides Ohio Valley Allies Oregon Environmental Council Pesticide Action Network Protect Franklin Park [PA] Rio Grande International Study Center (RGISC) Safer States Three Rivers Waterkeeper Toxic Free Future Union of Concerned Scientists Vermont Conservation Voters Women's Voices for the Earth

[1] ACC, *PFAS: Critical to Renewable Energy*, <u>https://www.americanchemistry.com/chemistry-in-america/chemistries/fluorotechnology-per-and-polyfluoroalkyl-substances-pfas/pfas-critical-to-renewable-energy</u>

[2] ACC, *ACC Urges EPA to Reconsider its Flawed Chlor-alkali Proposal*, <u>https://www.americanchemistry.com/chemistry-in-america/news-trends/press-release/2022/acc-urges-epa-to-reconsider-its-flawed-chlor-alkali-proposal</u>

[3] International Lead Association, *Using Lead Responsibly is Critical to Achieving a Sustainable and Low Carbon Future*, <u>https://ila-lead.org/sustainability/</u>)

[4] U.S. Government Accountability Office, *EPA Chemical Reviews: Workforce Planning Gaps Contributed to Missed Deadlines,* Feb 17, 2023, <u>https://www.gao.gov/products/gao-23-105728</u>

[5] University of California San Francisco Program on Reproductive Health and the Environment, *Public Opinion on Chemicals*, <u>https://prhe.ucsf.edu/public-opinion-chemicals</u>

# Congress of the United States Washington, DC 20515

September 13, 2021

The Honorable Nancy Pelosi Speaker U.S. House of Representatives Washington, D.C. 20515

The Honorable Jim Clyburn Majority Whip U.S. House of Representatives Washington, D.C. 20515 The Honorable Steny Hoyer Majority Leader U.S. House of Representatives Washington, D.C. 20515

Dear Speaker Pelosi, Leader Hoyer, and Whip Clyburn:

We write to you to share our concerns about proposed language in the House budget reconciliation package specifically targeting the U.S. oil, natural gas, and refining industries. Provisions in the package have the potential to cost thousands of jobs, stifle economic recovery, increase energy costs for all Americans, strengthen our adversaries, and ultimately impede the transition to a lower carbon future. These taxes and fees, as well as the exclusion of natural gas production from clean energy initiatives, constitute punitive practices.

Currently, oil and natural gas companies may recover costs, which is permissible for companies in every other industry. The industry supports nearly 11 million domestic jobs and generates billions of dollars of revenue for federal and state governments. In addition, the energy provided by this sector ensures that America minimizes reliance on foreign sources of oil and petroleum products, and that the American public has access to affordable and reliable sources of energy to power their lives and keep the American economy moving. The price of crude oil is the largest factor in gasoline prices, so raising the costs of crude oil for refineries will adversely impact Americans who can least afford it. The tax changes being proposed will further cut domestic production and endanger domestic refining capacity while increasing demand from the Organization of the Petroleum Exporting Countries (OPEC).

Global demand for oil and natural gas will continue to increase for the foreseeable future. The U.S. Energy Information Administration predicts we will need more forms of all energy in the future, projecting worldwide energy consumption to grow by 50% by 2050. U.S. production of oil and natural gas is among the most environmentally conscious in the world when it comes to carbon-intensity and curtailing methane emissions. Likewise, U.S. refining companies are making significant investments in lower carbon fuels, carbon capture, and other technologies to reduce emissions. Limiting capital for these industries will impede their ability to continue investing in the technologies needed to meet growing demand for energy while reducing emissions.

We firmly believe that the budget reconciliation bill should not unduly disadvantage any industry, and oppose the targeting of U.S. oil, natural gas, and refining with increased taxes and fees and the exclusion of natural gas production from clean energy initiatives. These inequitable policies will cost American jobs, move America farther away from energy independence, and will slow the country's move toward a lower carbon future.

Henry Quellar Member of Congress

Marc Veasey Member of Congress

Sincerely,

Vicente Gonzalez

Filemon Vela

Member of Congress

Member of Congress

S√lvia Gar

Member of Congress

Lizzie Fletcher Member of Congress

Colin Allred Member of Congress

cc: The Honorable Frank Pallone, Chairman, House Committee on Energy and Commerce

The Honorable Richard Neal, Chairman, House Committee on Ways and Means


Chris Morris Director Energy & Resources Policy

March 9, 2023

The Honorable Cathy McMorris Rodgers Chair Committee on Energy and Commerce U.S. House of Representatives Washington, DC 20515 The Honorable Frank Pallone Ranking Member Committee on Energy and Commerce U.S. House of Representatives Washington, DC 20515

Dear Chair McMorris Rodgers and Ranking Member Pallone,

On behalf of the National Association of Manufacturers, the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states, thank you for holding today's markup of legislation to bolster U.S. energy security and competitiveness.

The committee's focus on strengthening domestic energy and resource production, securing energy transmission and permitting reform are critical to emboldening U.S. manufacturers' competitiveness in the global economy. Manufacturers in the U.S. employ 13 million people and add more than \$2.8 trillion dollars to the U.S. economy. Indeed, America's continued success and leadership depend on a strong, competitive manufacturing industry.

One of the biggest obstacles preventing manufacturers—and therefore the entire American economy—from reaching our full potential are permitting delays, red tape and complicated bureaucracy that have plagued us for decades. As manufacturers work to modernize our infrastructure and shore up our supply chains, the need for permitting reform, critical mineral mining and refining and energy security is more urgent than it has ever been.

The NAM thanks you for your efforts to strengthen U.S. manufacturing and we look forward to continuing to work with you to achieve a workable regulatory system that enhances domestic energy production and transmission while maintaining the highest level of environmental stewardship.

Thank you again for your focus on these crucial issues.

Sincerely,

Chris Morris Director Energy & Resources Policy

Leading Innovation. Creating Opportunity. Pursuing Progress.

733 10th Street, NW • Suite 700 • Washington, DC 20001 • P 202.637.3173 • F 202.637.3182 • www.nam.org



#### American Fuel & Petrochemical Manufacturers

1800 M Street, NW Suite 900 North Washington, DC 20036

202.844.5505 direct 202.457.0480 office cthompson@afpm.org afpm.org

February 7, 2023

The Honorable Bill Johnson Committee on Energy & Commerce Chairman Subcommittee on Environment, Manufacturing and Critical Materials U.S. House of Representatives Washington, D.C. 20515

The Honorable Jeff Duncan Committee on Energy & Commerce Chairman Subcommittee on Energy, Climate and Grid Security U.S. House of Representatives Washington, D.C. 20515 The Honorable Paul Tonko Committee on Energy & Commerce Ranking Member Subcommittee on Environment, Manufacturing and Critical Materials U.S. House of Representatives Washington, D.C. 20515

The Honorable Diana DeGette Committee on Energy & Commerce Ranking Member Subcommittee on Energy, Climate and Grid Security U.S. House of Representatives Washington, D.C. 20515

Dear Chairmen Johnson and Duncan and Ranking Members Tonko and DeGette:

The American Fuel & Petrochemical Manufacturers (AFPM) appreciates the opportunity to provide its perspectives on legislation under consideration at the Joint Energy, Climate, & Grid Security Subcommittee and Environment, Manufacturing, & Critical Materials Subcommittee Legislative Hearing, *Unleashing American Energy, Lowering Energy Costs, and Strengthening Supply Chains*.

AFPM is a national trade association representing the U.S. refining and petrochemical manufacturing industries. AFPM members support close to three million jobs, contribute to our economic and national security, and enable the production of thousands of vital products used by families and businesses throughout the U.S. Our members produce and deliver the gasoline, diesel, and jet fuel that keep us moving, as well as supplying the petrochemicals that are used as building blocks in thousands of products from cell phones to automobiles to medical devices, communications systems, and materials critical for producing renewable energy.

The past year was tremendously challenging for the global energy industry. Russia's invasion of Ukraine and the resulting sanctions and other restrictions have reshuffled global crude oil, natural gas, and trade of gasoline and diesel, made even more challenging by re-opening economies following COVID. U.S. refiners and petrochemical manufacturers demonstrated extraordinary resilience and adaptivity, running near maximum utilization for most of the year to meet U.S. and global demand for our products. At the same time, in the U.S., policymakers of both parties have called for increased refining capacity





and reversals of the ongoing rationalization of U.S. refining capacity, which contracted by more than 1 million barrels per day since the beginning of 2020. Some closures were due to market factors, others were policy driven. In fact, more than half of capacity reductions are the result of conversions to renewable diesel production, and AFPM's members are responsible for 80 percent of recent announcements in this drop-in renewable fuel.

AFPM appreciates the Committee's promotion of sound regulations, strong energy production, and enhanced process safety. As you consider legislation to meet these goals, AFPM offers several initial observations:

I. AFPM welcomes the Committee's legislative efforts to provide clear standards for when the Environmental Protection Agency (EPA) may require a safer technology and alternatives analysis (STAA).

Nothing is more important to refiners and petrochemical manufacturers than the safety of our employees, contractors, neighbors, and the communities in which they operate.<sup>1</sup> AFPM members invest significant resources to continually improve our safety programs and practices, both as individual companies and as an industry. As it relates to the bill under consideration, the refining industry uses hydrofluoric acid (HF) as a critical catalyst to produce alkylate. Alkylate is an irreplaceable blending component for today's cleaner-burning motor gasoline.

The refining industry takes management of HF very seriously. Since 1992, AFPM members have followed API Recommended Practice 751 (RP 751), the most rigorous and comprehensive document pertaining to the safe operation of HF alkylation units. RP 751 is the collaborative product of an industry working group that includes nearly 100 of the top global leaders in HF alkylation science and process safety. The most recent edition of RP 751—its 5th—was released in August 2021 and reflects the newest data, industry learnings, and technologies. Under RP 751, HF alkylation operations are getting safer every year.

A STAA is an engineering concept that companies utilize when evaluating technology and design alternative for new process units. Early in the technology selection process, a STAA can be a helpful tool and AFPM supports its use. Once a facility is up and running on technology selected, procured, and built, however, most alternative technologies are no longer feasible to implement, particularly where refinery fuel alkylation is concerned, without completely reconstructing individual process units and potentially reconfiguring entire facilities. Disrupting this one process would have impacts across an entire facility, potentially resulting in a range of other costly problems such as more expensive gasoline; gasoline and other fuel shortages; higher dependence of fuel imports; potential refinery shutdowns; and job losses.

By providing clear standards this legislation would promote both safety and regulatory certainty. AFPM recommends that the Committee consider providing the same certainty to all covered industries and processes and looks forward to engaging to further clarify legislative language.

<sup>&</sup>lt;sup>1</sup> https://www.afpm.org/issues/safety-health



## II. AFPM agrees with the Committee that banning energy exports would harm U.S. consumers, the economy, and national security.

The U.S. is home to the largest and most complex refining industry in the world, made possible by our skilled workforce, the investments we have made, and our access to reliable and competitive feedstocks globally. In fact, U.S. refiners invested more than \$100 billion in the last fifteen years to make our refining sector the most competitive in the world. We upgraded the complexity of our refining kit so that more of our facilities would be optimized to process the toughest-to-refine types of crude oil—feedstocks primarily available from the global market that most other countries' refineries cannot process. The ability to purchase and refine these types of crude oil has been a tremendous advantage to the United States and our standing as a global energy leader.

As a result, the U.S. is the largest global exporter of crude oil and refined petroleum products. Our largest export destinations for refined products include Latin America and Europe— important markets not only for U.S. economic security, but also for U.S. foreign policy and national security.

Banning exports would not only place U.S. interests at risk, but it would also likely place further upward pressure on consumer fuel prices as the U.S. retreats from participating in global markets. U.S. participation in the global market for energy is a strength.

## III. The U.S. needs infrastructure and smart regulations if we are going to meet growing global energy demand while addressing climate change.

The U.S. is a global leader in refining and petrochemical production. With a growing global population and millions of people entering the middle class each year demand for more energy and mobility will increase, not to mention the need for infrastructure for clean water, healthcare, fresh food, and countless other aspects of modern life that AFPM's members enable.

To remain a global leader, U.S. regulatory policy needs to strike the right balance between environmental protection and business certainty. Too often, projects become uneconomic because of the length of permitting reviews or regulatory approvals. This is true for both conventional and renewable energy, but also applies to areas like the new chemicals program under the Toxic Substances Control Act and the ability to build and scale carbon capture, hydrogen, and other systems to reduce the carbon intensity of the energy sector. The Committee is considering multiple bills that would make targeted changes in areas such as cross-border pipeline approvals, flexible air permitting, and streamlining reviews under multiple statutes including NEPA, SWDA, the Clean Air Act, TSCA, and others.

Making regulations work better does not mean sacrificing protection for the environment or consumers. We look forward to working with the Committee to build on the legislation under consideration this week to better promote infrastructure development and regulatory certainty.



## IV. AFPM supports legislation requiring the National Petroleum Council to produce a report on the role of petrochemical refineries in the United States and the significant contributions these refineries have made to our nation's energy security.

The U.S. petrochemical industry has a crucial and enduring role to play in meeting the needs of a growing world population while simultaneously fulfilling the imperative to produce petrochemicals in a sustainable and clean manner. Petrochemicals are the building blocks for products that improve health, safety, and quality of life for people around the world. The U.S. economy depends on petrochemicals and they are essential for improving and modernizing myriad other industries. Petrochemicals are critical in modern medicine, food safety, efficient construction, advanced electronics, mobility, and transportation as well as our energy infrastructure.

\* \* \*

If policymakers wish to facilitate the long-term health of the refining and petrochemical sectors, we urge a continued focus on developing a regulatory environment that promotes investment and certainty. We are confident that given the opportunity to fairly compete in the market for both consumers and emissions reductions, our industries will continue to lead the world in both.

AFPM appreciates the Committee's attention to these issues of great importance to our members and American consumers.

Sincerely,

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Chet Thompson President and CEO American Fuel & Petrochemical Manufacturers



February 28, 2023

The Honorable Cathy McMorris Rodgers Chair Committee on Energy and Commerce U.S. House of Representatives 2125 Rayburn House Office Building Washington, DC 20515

The Honorable Bill Johnson Chair Subcommittee on Environment, Manufacturing & Critical Materials U.S. House of Representatives 2125 Rayburn House Office Building Washington, DC 20515 The Honorable Frank Pallone Ranking Member Committee on Energy and Commerce U.S. House of Representatives 2322 Rayburn House Office Building Washington, DC 20515

The Honorable Paul Tonko Ranking Member Subcommittee on Environment, Manufacturing & Critical Materials U.S. House of Representatives 2322 Rayburn House Office Building Washington, DC 20515

Dear Chairs Rodgers and Johnson and Ranking Members Pallone and Tonko:

The American Chemistry Council (ACC) represents over 190 companies engaged in the business of chemistry. ACC member companies create and manufacture innovative products that make people's lives better, healthier, and safer, and help solve the greatest challenges facing our country and the world. This includes supplying the chemistries and materials underpinning the energy sector's industrial base and the clean energy technologies needed for a lower-carbon economy.

ACC appreciates the Committee's focus on sound chemical management policies that protect human health and the environment while also promoting economic growth and innovation. One of bills being considered by the Committee, the Elimination of Future Technology Delays Act of 2023 (H.R. 1158), introduced by Congressman John Curtis (UT-3), is a positive step towards improving the Toxic Substances Control Act (TSCA) and removing barriers to innovation. ACC supports H.R. 1158.

Predictable chemical management policies are critical to developing the technologies necessary for our energy future. From utilizing oil and gas more efficiently, to developing hydrogen energy, to advanced battery technologies, the products manufactured by our members touch all aspects of energy. As America pursues a policy that promotes reliable, affordable, and cleaner energy, chemistry will be essential to driving innovation and ensuring economic and national security.

However, TSCA is not working as intended by Congress when it modernized the law in 2016. Delays in TSCA new chemical reviews conducted by the Environmental Protection Agency (EPA) run the risk of slowing down innovation. According to a recent GAO report, the EPA has missed deadlines 90% of the time for reviewing new chemicals and missed all but one deadline for existing chemical risk evaluation and risk management activities under TSCA. This bill would help address some of the lengthy delays in

the new chemicals program and ensure EPA reviews new chemicals critical to energy innovation in a timely fashion.

We appreciate your attention to the challenges surrounding implementation of TSCA and we look forward to working with you in the months ahead.

Sincerely,

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Ross Eisenberg Vice President, Federal Affairs



Arnanda Eversole Executive Vice President & Chief Advocacy Officer API 202-682-8000 eversolea@api.org

February 6, 2023

The Honorable Cathy McMorris Rodgers Chair House Committee on Energy & Commerce 2322 Rayburn House Office Building Washington, DC 20515

#### Dear Chair McMorris Rodgers:

The American Petroleum Institute (API) writes regarding the legislation to be considered during the upcoming Joint Energy, Climate, & Grid Security Subcommittee and Environment, Manufacturing, & Critical Materials Subcommittee Legislative Hearing: "Unleashing American Energy, Lowering Energy Costs, and Strengthening Supply Chains" on Tuesday, February 7, 2023.

API is committed to meeting the challenge of providing affordable and reliable energy while continuing to reduce emissions. As the leading trade association representing the entire value chain of the U.S. oil and natural gas industry, API supports policies that strengthen our nation's energy security and our economy and that protect our environment. The hearing on February 7<sup>th</sup> will consider legislative proposals that speak to these objectives, and we commend the Committee for holding this important hearing.

The Committee's renewed focus on restoring American energy leadership is critical to ensuring that American oil and natural gas reserves are prioritized as a long-term strategic asset that will serve as a foundation for economic growth and energy security. Members of the Energy and Commerce Committee have already vocalized how America's energy security directly correlates to our national security at the outset of the 118<sup>th</sup> Congress, and we support the efforts of the Committee, under your leadership, to address these energy challenges.

API remains focused on working in a bipartisan manner to find common-sense, economically-sound solutions to not only maintain our energy independence, but also to assist our allies around the world as they grapple with energy uncertainty resulting from Russia's war in Ukraine. Demand for oil and natural gas is increasing, and we can – and must – do more to avoid policies that stymie increased energy production such as development restrictions on federal lands and waters, onerous and duplicative regulations, insufficient infrastructure due to permitting delays and denials, inconsistent standards for environmental reviews, and significant supply chain bottlenecks.

The oil and natural gas industry urges Congress to pass legislation that will enable continued innovation, investment in long-term projects and cleaner energy technologies, and improved infrastructure development. Much of the legislation being offered in this joint legislative hearing is a strong step in this direction. Accordingly, API commends the Committee for considering proposals including:

- H.R. 150, the "Protecting American Energy Production Act."
- H.R. 484, the "Natural Gas Tax Repeal Act."
- H.Con.Res.\_\_, Expressing disapproval of the revocation by President Biden of the Presidential permit for the Keystone XL pipeline.

- H.R. 647, the "Unlocking our Domestic LNG Potential Act of 2023." .
- H.R. \_\_\_, To require the Secretary of Energy to direct the National Petroleum Council to issue a report with respect to petrochemical refineries in the United States, and for other purposes.
- H.Con.Res. \_\_, Expressing the sense of Congress that the Federal Government should not impose any restrictions on the export of crude oil or other petroleum products.
- H.R. \_\_\_, To authorize the Administrator of the Environmental Protection Agency to waive application of certain requirements, sanctions, or fees, with respect to processing or refining of critical energy resources at a critical energy resource facility, and for other purposes.
- H.R. \_\_\_, To amend the Toxic Substances Control Act with respect to critical energy resources, and for other . purposes.
- H.R. \_\_, To amend the Solid Waste Disposal Act to treat the owner or operator of a critical energy resource facility as having been issued an interim permit for the treatment, storage, or disposal of hazardous waste, and for other purposes.
- H.R. , To require the Administrator of the Environmental Protection Agency to authorize the use of flexible air permitting with respect to certain critical energy resource facilities, and for other purposes.

Further, other proposals being considered by the Committee that may, with additional modifications, also support our energy and national security objectives include:

- H.R. , the "Promoting Cross-border Energy Infrastructure Act."
- H.R.\_\_, the "Promoting Interagency Coordination for Review of Natural Gas Pipelines Act."
- H.R. , To amend the Clean Air Act to prohibit the phase out of gasoline and prevent higher prices for consumers and for other purposes.

As Congress continues its work on these and other important energy legislation, API and our members stand ready to support policies that strengthen America's energy security and promote economic development and environmental stewardship. We look forward to continuing to work with Members of the Committee and their colleagues in the House and Senate to support legislation that will indeed, "pave the way to unleashing American energy sources and technologies of all kinds."

Sincerel

Amanda E. Eversole

CC: The Honorable Frank Pallone, Ranking Member, House Energy and Commerce Committee The Honorable Bill Johnson, Chair, House Subcommittee on Environment, Manufacturing, and Critical Minerals The Honorable Jeff Duncan, Chair, House Subcommittee on Energy, Climate, and Grid Security



#### API Commends Energy & Commerce action on the "Unlocking our Domestic LNG Potential Act of 2023"

API remains focused on working in a bipartisan manner to find common-sense, economically-sound solutions to not only maintain our energy independence, but also assist our allies around the world as they grapple with energy uncertainty resulting from Russia's war in Ukraine. The *"Unlocking our Domestic LNG Potential Act of 2023", is a strong step in this direction.* 

- LNG importers around the world need policy certainty when they consider signing long-term contracts with US LNG projects. This legislation helps provide that certainty by removing the ability of this or future DOE's to politicize natural gas exports and unnecessarily delay or withhold permits
- US LNG exports are needed now more than ever and will be vital to rebalancing global gas markets—especially those of our allies in Europe—in the absence of Russian pipeline gas. This is what energy leadership looks like; protectionist efforts to limit gas exports are misguided and will harm both the US and our allies
- This eliminates unfair treatment of natural gas exports and instead treats gas exports the same as oil, gasoline or any other exported commodity
- The United States is blessed with truly enormous gas reserves, more than sufficient to meet rising global LNG demand while still keeping costs affordable for US consumers and businesses
  - The US is, by a huge margin, the largest natural gas producer in the world
  - Already the US is the world's largest LNG exporter, and indeed exports are at near record levels, yet US natural gas prices remain among the cheapest in the world
  - Since LNG exports began in 2016, there has been no clear relationship between US natural gas prices and rising export flows.
    Production increases have more than offset new export demand
  - In fact right now, with LNG exports surging, US natural gas prices are at the lowest levels since 2021

- Multiple studies by DOE and NETL—under the past 3 Administrations have all shown that the US can continue to increase US LNG exports with a negligible impact on US natural gas prices
- The US LNG industry also drives enormous job creation and economic growth, both in coastal areas where the gas is exported but also in gas producing regions spread throughout the country

Lance West Vice President Federal Relations

**c:** 304-633-8551 **e:** <u>westl@api.org</u> <u>www.api.org</u>



March 9, 2023

The Honorable Cathy McMorris Rodgers Chair House Committee on Energy & Commerce 2125 Rayburn House Office Building Washington, D.C. 20515 The Honorable Frank Pallone Ranking Member House Committee on Energy & Commerce 2125 Rayburn House Office Building Washington, D.C. 20515

Dear Chair McMorris Rodgers and Ranking Member Pallone:

On behalf of the American Exploration & Production Council (AXPC), I write to urge support for the legislative proposals being considered at today's markup. Thank you for your efforts to advance prodomestic energy policies.

AXPC is a national trade association representing 33 leading independent oil and natural gas exploration and production companies in the United States. AXPC companies are among leaders across the world in the cleanest and safest onshore production of oil and natural gas, while supporting millions of Americans in good-paying jobs and investing a wealth of resources in our communities. Dedicated to safety, science, and technological advancement, our members strive to deliver affordable, reliable energy while positively impacting the economy and the communities in which we live and operate. As part of this mission, AXPC members understand the importance of ensuring positive environmental and public welfare outcomes and responsible stewardship of the nation's natural resources.

AXPC commends the Committee's work to advance a legislative package that will enhance US energy supply and security, in particular the bills listed below that will support US energy production.

#### **US Energy Production**

AXPC supports H.R. 1121, the Protecting American Energy Production Act, as it recognizes the importance of the technological advancements of hydraulic fracturing in transforming our energy landscape from energy scarcity to energy abundance. Hydraulic fracturing is already successfully regulated by the states. States and EPA coordinate the sharing of best practices through organizations like the Interstate Oil and Gas Compact Commission (IOGCC) and the Ground Water Protection Council (GWPC).

Congress provided states with the authority to regulate hydraulic fracturing to best account for varying conditions nationwide. During the Obama Administration, EPA released a comprehensive report on the potential impacts of hydraulic fracturing. After years of analysis and stakeholder input, the study found further regulation at the federal level was unwarranted. The Protecting American Energy Production Act solidifies these findings.

#### **US Energy Exports**

AXPC supports legislation to promote US LNG and crude oil in the global market. US LNG is the answer for nations desperate to alleviate energy shortages and to meet the increasing demands of growing populations in an environmentally sustainable way. We thank the Committee for prioritizing legislation to streamline the approval process for infrastructure, facilities, and exports of US LNG to our allies.

US crude oil exports are an important resource to increase global supply and keep energy prices low for all Americans. In fact, US crude oil exports have saved Americans \$92 billion since Congress voted in a bipartisan manner to lift the crude oil export ban in 2015.

Both H.R. 1130, the Unlocking Our Domestic LNG Potential Act, and H.Con.Res. 17 will protect access to the global market, increase US production, and support lower energy prices in the US.

#### US Energy Infrastructure

Congress must pass legislation to provide certainty and encourage investment in energy infrastructure to support increased production and safe and efficient transportation of US oil and natural gas. AXPC supports, H.R. 1115, the Promoting Interagency Coordination for Review of Natural Gas Act, as it will take an important step forward to pave the way for much needed energy infrastructure.

#### Methane Tax

AXPC members understand the importance of ensuring positive environmental and public-welfare outcomes and responsible stewardship of the nation's natural resources. AXPC members are committed to reducing emissions from their operations and support effective and reasonable regulation of methane that balances the essential value of US oil and natural gas production with the global challenge of addressing climate change.

AXPC supports H.R. 1141, the Natural Gas Tax Repeal Act, which will repeal the US Environmental Protection Agency's Methane Emissions Reduction Plan (MERP). Congress should allow the industry time to implement EPA's methane regulations without imposing a separate punitive fee on top of its \$13 billion proposed rule. Imposing this fee, on top EPA's ongoing efforts to revise the very reporting structures that will determine the size of the fee, creates a huge unknown for the industry and the American people as to the full extent of cost increases this will have on American-made energy.

#### **Conclusion**

AXPC appreciates the Committee's actions to promote the growth of domestic energy production. AXPC supports this legislative package and encourages Members of the Committee to vote in favor of these important measures.

Sincerely,

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Troy Lyons Vice President, Government Affairs American Exploration & Production Council



900 17th Street, NW, Suite 500 Washington, D.C. 20006 (202) 289-2253

February 6, 2023

The Honorable Jeff Duncan Chairman Subcommittee on Energy, Climate & Grid Security U.S. House of Representatives Washington D.C. 20515

The Honorable Diana DeGette Ranking Member Subcommittee on Energy, Climate & Grid Security U.S. House of Representatives Washington D.C. 20515

Dear Chairman Duncan and Ranking Member DeGette:

On behalf of the <u>Center for LNG</u> (CLNG), I am writing to provide comments to the U.S. House of Representatives Subcommittee on Energy, Climate, & Grid Security's hearing "Unleashing American Energy, Lowering Energy Costs, and Strengthening Supply Chains."

Commodity prices have risen around the globe, but because the United States is the world's largest natural gas producer, U.S. natural gas prices have increased less than other countries. Due to this advantage, our consumers and businesses have been more sheltered from higher natural gas prices than the rest of the global economy.

Natural gas prices are driven by multiple factors that affect both supply and demand, including weather, natural gas storage levels, changes in industrial demand, and the impact of global events on LNG exports and the U.S. economy. While the European energy crisis has created high demand for U.S. LNG, keep in mind that LNG export volumes represent only about 10% of the total winter market demand for natural gas domestically. Not only are LNG exports one of the smallest natural gas customer sectors compared to residential, electric or industrial demand, the volume of LNG exports is a fairly predictable number that increases very gradually since there are just over a handful of U.S. LNG export facilities.

LNG export terminals take 6-10 years from start to in-service, which gives natural gas producers plenty of time to prepare for the increased demand. The future supply of natural gas is abundant, and estimates are brightened with successive assessments of the resource base. In fact, current LNG exports represent less than 1% of U.S. proven reserves of natural gas and about 0.001% of the total estimated U.S. natural gas resource base. Further, LNG exports provide multiple benefits to domestic consumers, such as their key



role in incentivizing production across the country and increasing household purchasing power.

In response to domestic demand for natural gas, producers responded with record levels of natural gas production in November and December of 2022, a 4% increase winter-overwinter. These increases, along with a mild winter, have already helped to ease market conditions as more supply flows into the market. The <u>Energy Information Administration</u> (EIA) recently projected that 2023 natural gas prices will average 24% <u>less</u> than 2022. This is a classic example of supply and demand leveling the playing field without government intervention.

LNG exports will continue to stabilize the domestic market and incentivize U.S. natural gas production, which in turn generates billions of dollars in new investments that <u>benefit local</u> <u>communities</u>, <u>produce tax revenues and support jobs</u>, <u>including those in manufacturing</u>. These jobs number in the thousands during construction and in the tens of thousands throughout the supply chain during operations. Furthermore, our exports help to fund national and international efforts to reduce emissions, with members investing billions in low-carbon and no-carbon solutions.

Globally, these same exports support our allies' efforts to reach net-zero emissions, allowing them to generate electricity with natural gas, rather than higher-emitting energy sources. Most importantly, U.S. LNG is necessary for our allies in Europe to replace Russian natural gas, as well as to help all our trading partners get closer to their COP27 and Paris Accord climate goals.

We are world leaders in natural gas and LNG exports. They support our economy and emission-reductions goals, while enhancing the national security of the United States and that of our allies. Hyperbole and fear have no place in energy policy discussions and limiting future LNG exports will only have a negative impact on the United States and our trade partners.

CLNG appreciates your leadership as well as that of many of your colleagues who continue to recognize the role natural gas and LNG play in reducing emissions across the globe, while also realizing the economic benefits natural gas creates here at home. We particularly want to commend Representative Johnson for his continued leadership in promoting LNG exports and the many benefits they bring.

Sincerely,

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900 17th Street, NW, Suite 500 Washington, D.C. 20006 (202) 289-2253

Charlie Riedl Executive Director, Center for Liquefied Natural Gas 900 17th St., NW, Suite 500 Washington, DC 20006 <u>charlie.riedl@ngsa.org</u>

The Center for Liquefied Natural Gas (CLNG) advocates for public policies that advance the use of liquefied natural gas (LNG) in the United States, and its export internationally. A committee of the Natural Gas Supply Association (NGSA), CLNG represents the full LNG value chain, including LNG producers, shippers, terminal operators and developers, providing it with unique insight into the ways in which the vast potential of this abundant and versatile fuel can be fully realized. For more information, please visit <u>www.lngfacts.org</u>.



March 8, 2023

Dear Chairwoman-McMorris Rodgers and Ranking Member Pallone,

The Independent Petroleum Association of America is pleased to support the package of energy bills being marked up today by the committee. We would also like to express our gratitude that such an important issue, America's energy production, is a priority for this Committee and Congress.

I would like to make specific reference to a couple of pieces of legislation. First, H.R. 150, the "Protecting American Energy Production Act" sponsored by Congressman Duncan. This legislation prohibits the President from declaring a moratorium on the use of hydraulic fracturing unless Congress authorizes such a prohibition. The bill also expresses the sense of Congress that states should maintain primacy for the regulation of hydraulic fracturing for oil and natural gas production on state and private lands.

Hydraulic fracturing is a decades old well completion technology that is often coupled with horizontal drilling to develop oil and natural gas resources from tight rock formations. Hydraulic fracturing occurs after drilling has been completed and involves pumping fluid – typically 99 percent water and sand – into the target formation at pressure in order to open small fractures in the rock, which allow oil and natural gas to flow out of these tight formations.

Advances in hydraulic fracturing technology have reversed the U.S. trajectory from that of energy scarcity to being the leader of oil and natural gas production around the globe. There is no doubt that hydraulic fracturing has allowed the United States to increase oil and natural gas production and enhanced American energy security. In addition, increased use of natural gas, made possible by hydraulic fracturing, air quality has also dramatically improved.

IPAA also supports H.R. 484, the "Natural Gas Tax Repeal Act" sponsored by Congressman Pfluger. This legislation would strike language designed to establish a tax on natural gas imposed on America's independent oil and natural gas producers as part of the "Inflation Reduction Act" passed by Congress last year.

IPAA recognizes the importance of managing air emissions of methane and other volatile organic compounds. The American oil and natural gas production industry participates in voluntary programs to identify and implement cost effective management technologies. Our members work diligently to comply with state and federal regulations.

The Methane Emissions Reduction Program (MERP), which was passed as part of last year's Inflation Reduction Act, is an inappropriate and unworkable methane emissions tax. This tax was included despite not ever being considered in a hearing, receiving expert testimony in favor or opposition, no economic analysis, and no consideration of efficacy. Instead of looking at this issue holistically, the MERP was on the simple premise that if something is taxed, less of it will be produced.

We also support legislative efforts to bring efficiency and certainty to liquified natural gas (LNG) infrastructure and export terminals.

According to the Energy Information Administration, from 2005-2021, natural gas production in the United States increased from roughly 18 million cubic feet (2005) to over 34 million cubic feet (2021). Additionally, according to EIA, the Henry Hub price for natural gas went from \$13.42 per million BTU (October 2005) to \$3.27 per million BTU (January 2023) representing a savings to consumers of over 75%.

The shale revolution has unlocked vast amounts of energy potential that has brought a greater degree of stability and afforded America the opportunity to become the central player in global energy markets. Limiting exports and restraining production opportunities creates more uncertainty in an already uncertain market. Furthermore, the facts are clear, Americans have benefitted tremendously from the expertise and entrepreneurial spirit of the American oil and natural gas producer. Allowing access to international markets for these resources has not been harmful to American consumers in any way. Quite the opposite, more choices and more markets are beneficial to all parties involved and serve as an economic driver which benefits all Americans.

Again, I want to thank the Committee and its Members for their interest in our industry.

Respectfully,

**C. Jeffrey Eshelman, II** President & Chief Executive Officer Independent Petroleum Association of America (IPAA)

#### U.S. Chamber of Commerce



1615 H Street, NW Washington, DC 20062-2000 uschamber.com

February 28, 2023

The Honorable Jeff Duncan Chairman Subcommittee on Energy, Climate, & Grid Security Committee on Energy and Commerce U.S. House of Representatives Washington, DC 20515 The Honorable Diana DeGette Ranking Member Subcommittee on Energy, Climate, & Grid Security Committee on Energy and Commerce U.S. House of Representatives Washington, DC 20515

Dear Chairman Duncan and Ranking Member DeGette:

In advance of today's Energy, Climate, and Grid Security Subcommittee markup, the Chamber applauds the subcommittee's focus on the broken federal permitting process. We support the legislation being considered that would draw attention to this problem and would ensure greater predictability and transparency for the development of critical infrastructure. However, the Chamber has several concerns with one of the bills under consideration, which specifically addresses cyber incident reporting relating to critical electric infrastructure facilities. We hope that this legislation will be improved as the legislative process continues.

Specifically, the Chamber supports several bills aimed at enhancing domestic energy security and supporting America's leading role in innovation and the reduction of carbon emissions:

- H.R. 1068, the "Securing America's Critical Minerals Supply Act," which would direct the Department of Energy (DOE) to analyze the U.S. critical mineral existing supply and future demand, as well as threats to the supply chain. Securing current and future sources of critical minerals is an important strategic goal for the American economy.
- H.R. 1085, the "Researching Efficient Federal Improvements for Necessary Energy Refining (REFINER) Act," which would require the National Petroleum Council to analyze the value of U.S. petrochemical refineries to energy security, while also addressing current refining capacity, expansion potential, and risks to ensure future needs are met.
- H.R. 1130, the "Unlocking Our Domestic LNG Potential Act," which would empower U.S. natural gas exports and would help ensure that the U.S. remains a global leader in the international trade of this crucial commodity.
- H.R. 1115, the "Promoting Interagency Coordination for Review of Natural Gas Pipelines Act," which would improve the review processes necessary to support natural gas infrastructure development.

However, we believe H.R. 1160, the "Critical Electric Infrastructure Cybersecurity Incident Reporting Act," can be improved substantially.

The Chamber strongly supports the bipartisan Cyber Incident Reporting for Critical Infrastructure Act of 2022 (CIRCIA, P.L. 117-103), enacted in March 2022, and is working with Congress and the Administration to implement it. The protection of U.S. critical infrastructure, including electric power systems, from cyber and physical threats is a shared public-private priority. We believe H.R. 1160 – perhaps unintentionally – would conflict with CIRCIA by creating new and potentially duplicative obligations.

We believe H.R. 1160 would be improved in part by:

- Increasing to 72 hours the timeline for the reporting of significant and confirmed cyber incidents to ensure DOE is not flooded with data of relatively little actionable value.
- Establishing liability protections consistent with CIRCIA and the Cybersecurity Information Sharing Act.
- Requiring rulemaking to be completed by DOE in coordination with impacted industry entities.
- Enabling two-way information sharing and collaboration between government and private entities.

Thank you for the opportunity to contribute to your consideration of these bills. We look forward to continuing to work with you on important shared priorities.

Sincerely,

Mild Bru

Neil L. Bradley Executive Vice President, Chief Policy Officer, and Head of Strategic Advocacy U.S. Chamber of Commerce

cc: Members of the Committee on Energy and Commerce

IONIC LIQUIDS

# Oil company begins major new use of ionic liquids

Chevron alkylation unit is a breakthrough for commercialization of the salts

by **Alexander H. Tullo** April 16. 2021



Chevron is now using an ionic liquid-based alkylation process at its Salt Lake City refinery.

n a milestone for the industrialization of ionic liquids, Chevron has started up an alkylation unit at its Salt Lake City refinery that uses an ionic liquid catalyst instead of the traditional hydrofluoric or sulfuric acid.

Alkylation reacts isobutane with olefins such as butene and propylene to create octane and other fuels. The Salt Lake City unit, the first commercial ionic liquid-based alkylation unit to be installed in the US, has a capacity of about 5,000 barrels of alkylate per day. Chevron ran a demonstration unit for about 5 years before it moved forward with a revamp of its HF-based unit.

lonic liquid salts are made by pairing organic cations with organic or inorganic anions. Their irregular structures delocalize their charges, leading to properties—such as sub-100 °C melting points—of interest to chemists. Scientists are **investigating them for use** in petrochemical processes, cellulose extraction, and battery electrolytes.

The chloroaluminate ionic liquids Chevron uses have strong acid properties, which allow them to take the place of the hydrofluoric and sulfuric acids used in alkylation.

Helin Cox, business director for alkylation and treating at Honeywell UOP, which helped Chevron develop the process and is licensing it under the ISOALKY name, says the strong acidity means that only about 3-6% of the contents of the alkylation reactor is ionic liquid, compared with 50% for the

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conventional acids. "It significantly reduces the handling requirements and the volume requirements in the reactor," she says.

Among other advantages, Cox says, less ionic liquid is consumed in alkylation than is with hydrofluoric or sulfuric acid in the conventional processes. The ionic liquid is also safer to handle and can be regenerated inexpensively on site.

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"I definitely do see Chevron's plant as a milestone, as this plant is a fully operable commercial unit using

UOP has already signed up a licensee, Sinochem Hongrun Petrochemical, which will soon build an

ISOALKY unit in China. UOP also designed an HF-to-

ISOALKY conversion for an unnamed North American customer and will complete another design later this

ionic liquids in a large-scale market segment," Roland Kalb, founder of the Austrian custom ionic liquid maker Proionic, tells C&EN in an e-mail.

year.

UOP does have competition. Another ionic liquid-based alkylation process—developed at China University of Petroleum and licensed by the Canadian firm Well Resources—has been deployed at 6 units in China. Most recently, Sinopec installed it in a 7,500-barrel-per-day unit that replaces an HF unit at its refinery in Wuhan.

Two other ionic liquid markets that Kalb sees as "picking up speed" are electrolytes for energy applications and solvents for biomass extraction. "These segments do have the potential for us to create an annual multimillion \$ volume within the next few years," he writes.

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My name is James Townsend. I have worked in the Marathon refinery in Texas City, Texas for 16 years. Our refinery uses the HF Alkylation process. HF is the most dangerous substance and process utilized in the refining industry. I support requiring refiners to perform periodic STAA to determine if inherently safer technologies are technologically and economically feasible. As an "average Steelworker," I urge Congress to oppose H.R. 1155.

Sincerely,

James Townsend