

March 25, 2025

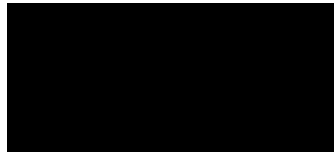
The Honorable Robert E. Latta
Chairman
Subcommittee on Energy
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Kathy Castor
Ranking Member
Subcommittee on Energy
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Latta, Ranking Member Castor, and Members of the Subcommittee:

Thank you again for inviting me to testify at the hearing entitled “Powering America’s Future: Unleashing American Energy.” Attached please find my responses to the questions for the record.

Sincerely,

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Tyler O'Connor's Answers to Additional Questions for the Record

The Honorable Lizzie Fletcher

1. **Thank you for your testimony. Sufficient agency staffing and resources are critical for a timely and predictable permitting process for energy projects. I'm already hearing concerns from industry leaders in my district about the impact of President Trump's attack on the federal workforce on the existing permitting process. Largely because of industry input, the IRA and IIJA both included additional funding for the federal permitting workforce to help expedite the review process. The President's executive orders both direct agencies to eliminate delays in the permitting process and withhold these resources. Many key agencies involved in the permitting process are now subject to work stoppages of various degrees and blocks on new permits for energy projects without the express permission of senior officials.**

- a. **In your experience, how will President Trump's directives impact permitting for energy projects?**

Answer: Thank you for these questions. There is widespread agreement from industry and Congressional stakeholders that permitting projects in the United States is often too cumbersome and time-consuming. Because advancing projects through the permitting process requires close collaboration and engagement with federal agencies and regulators, executive orders and other measures that arbitrarily reduce the federal workforce and withhold agency resources may have a disproportionate impact on energy companies relying on the federal government to issue needed permits. Energy companies may in fact be particularly impacted by cuts to the federal workforce, given that a large number of energy projects are located on federal lands. Significant cuts to other permitting agencies, including the Environmental Protection Agency, Federal Aviation Administration, and the Army Corps of Engineers may also impede the permitting of new projects.

- b. **Could a fraught permitting process lead to litigation risk for crucial energy projects?**

Answer: Yes. While much attention has been focused on the need to permit projects more quickly, there has unfortunately been less focus on making sure projects are permitted *correctly*. Rushing through the permitting process and cutting corners increases the likelihood that agencies will make mistakes. I suspect many companies would prefer to have a deliberate and stable permitting regime that reaches legally defensible conclusions, rather than an expedited process that results in permits being vacated on appeal.

2. **On February 1, President Trump chose to pick a fight with our two closest trading partners for energy products by announcing a 25% tariff on all goods from Mexico and a 25% tariff on most goods from Canada, with a lower, 10% tariff on energy products from Canada. Canada and Mexico are by far our largest sources of U.S. crude oil imports, accounting for over 4 million barrels per day combined. The Tax Foundation estimates that the tariffs on Canada and Mexico alone will increase taxes by more than \$670 per U.S. household this year. Energy industry analysts also expect fuel prices of everything from gasoline, diesel, jet fuel, and propane to rise as a result of these tariffs. On February 10, President Trump substantially raised tariffs on steel and aluminum imports to a flat 25%, without exceptions or exemptions. This action will undoubtedly ripple through the steel-intensive energy industry, and create further market uncertainty. While I'm glad to see that the tariffs on Canada and Mexico have been delayed, from a long-term investment certainty standpoint, the lack of process, lack of transparency, and abrupt changes in course can be just as harmful as the tariffs themselves. Can you speak to the importance of a stable trade regime for our energy industry?**

Answer: Companies are more likely to make large, capital-intensive investments in new energy infrastructure when there is a stable regulatory and trade environment. The haphazard and unpredictable imposition, withdrawal, and reimposition of tariffs increases uncertainty for energy companies looking to make investments in the United States. Just as consumers are unlikely to purchase a product if they do not know its cost, companies are unlikely to make new investments if they cannot reasonably approximate the cost of their inputs, or if the cost of those inputs (like steel and aluminum) are prohibitively expensive.