

Committee on Natural Resources
Oversight Hearing
1324 Longworth House Office Building
March 27, 2019
10:00 am

Hearing on “*Examining the Department of the Interior’s Spending Priorities and the President’s Fiscal Year 2020 Budget Proposal*”

Questions from Rep. Garret Graves for Scott J. Cameron, Principal Deputy Assistant Secretary, Office of Policy, Management, and Budget, U. S. Department of the Interior

As you know, H.R. 1, The Tax Cuts and Jobs Act (Public Law 115-97) requires the Secretary of Energy to drawdown and sell 7 million barrels of crude oil from the Strategic Petroleum Reserve (SPR) to pay for energy development in the Arctic National Wildlife Refuge (ANWR) and increases to the statutory cap on qualified Outer Continental Shelf (OCS) revenues that are eligible to be shared under the Gulf of Mexico Energy Security Act of 2006 (GOMESA).

According to H.R. 1, for fiscal years 2020 and 2021 the limitations on qualified OCS revenues eligible to be disbursed to Gulf producing States and the Land and Water Conservation Fund is \$650,000,000, allowing for a total increase of \$112,500,000 to be shared between the Gulf producing States to further assist with the funding of ecological restoration projects designed to reduce vulnerability from coastal impacts.

However, the Department of Interior’s projections for royalty estimates for GOMESA Phase 2 revenues appears to be well below the current statutory \$500,000,000 cap for fiscal years 2018 through 2023, including the two years that allow for increases to the limitation of qualified OCS revenues. Also, as explained earlier, a portion of that revenue will pay for lease sales in ANWR.

1. If we know that Phase 2 GOMESA payments will not eclipse the \$500,000,000 cap over the next 5 years and Congress is considering bills like H.R. 114, the Arctic Cultural and Coastal Plain Protection Act—a bill that would prohibit lease sales in

ANWR—then what benefit will we see from the sale of SPR? Is this SPR sale a good investment for the American taxpayer?