

**H.R. 1121, “PROTECTING AMERICAN
ENERGY PRODUCTION ACT”;
AND H.R. 5616, “BRIDGE
PRODUCTION ACT OF 2023”**

LEGISLATIVE HEARING

BEFORE THE

SUBCOMMITTEE ON ENERGY AND
MINERAL RESOURCES

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

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LEGISLATIVE HEARING ON H.R. 1121, TO PROHIBIT A MORATORIUM ON THE USE OF HYDRAULIC FRACTURING, “PROTECTING AMERICAN ENERGY PRODUCTION ACT”; AND H.R. 5616, TO REQUIRE THE SECRETARY OF THE INTERIOR TO CONDUCT CERTAIN OFFSHORE LEASE SALES, “BRINGING RELIABLE INVESTMENT INTO DOMESTIC GULF ENERGY PRODUCTION ACT OF 2023” or “BRIDGE PRODUCTION ACT OF 2023”

**Thursday, September 28, 2023
U.S. House of Representatives
Subcommittee on Energy and Mineral Resources
Committee on Natural Resources
Washington, DC**

The Subcommittee met, pursuant to notice, at 2:16 p.m. in Room 1324, Longworth House Office Building, Hon. Pete Stauber [Chairman of the Subcommittee] presiding.

Present: Representatives Stauber, Graves, Fulcher, Collins, Westerman; Huffman, Mullin, Kamlager-Dove, and Dingell.

Also present: Representative Levin.

Mr. STAUBER. The Subcommittee on Energy and Mineral Resources will come to order.

Without objection, the Chair is authorized to declare a recess of the Subcommittee at any time.

Under Committee Rule 4(f), any oral opening statements at hearings are limited to the Chairman and the Ranking Minority Member.

I now recognize myself for an opening statement.

STATEMENT OF THE HON. PETE STAUBER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. STAUBER. Today, the Subcommittee on Energy and Mineral Resources will consider H.R. 1121, “Protecting American Energy Production Act”, introduced by Representative Duncan of South Carolina; and H.R. 5616, “BRIDGE Production Act”, introduced by Representative Garret Graves of Louisiana.

I would like to thank each of our witnesses for traveling to Washington to be here today, and I also thank Representatives Graves and Duncan for introducing these important pieces of legislation.

The recent surge in oil prices nearing the \$100 a barrel mark, with projections of \$150 per barrel in 2025, has raised concerns for

hardworking Americans, along with our broader economy. This escalation in crude prices has had a ripple effect, from truckers charging more for cross-country hauls, to airlines increasing fares due to jet fuel costs, to manufacturers grappling with the rising cost of materials needed for critical medical supplies and essential ingredients needed for pharmaceuticals.

A gallon of gasoline averaged \$3.88 last week, marking a 25 percent increase since the beginning of the year. In my home state of Minnesota, gas is nearing \$4 per gallon. Mind you, gasoline was \$1.87, on average, in the district I represent the week President Biden was sworn into office. Even so, congressional Democrats want to ban fracking, prohibit offshore development, and curtail feasible solutions to high fuel prices by crushing opportunities to increase supply.

I have the honor of representing northeast Minnesota in Congress, home to the Iron Range and the largest copper nickel find in the world. I recognize the importance of developing the critical resources we are blessed with here in the United States. From the taconite and critical minerals in my district to the vast untapped potential of oil and gas reserves on the Outer Continental Shelf, we must ensure a future where we strike a balance between economic growth and responsible extraction.

And here in the United States, we do so with the strictest safety, environmental, and labor standards. The Gulf of Mexico region on the OCS not only yields one of the lowest emission profiles per barrel of oil produced globally, but provides 15 percent of U.S. oil production. The oil produced in the Gulf of Mexico is 46 percent cleaner than any production elsewhere in the world. However, the actions and delays by the Biden administration, including the attempted cancellation of multiple lease sales and the postponement of the 5-year offshore oil and gas leasing plan have put our nation's energy security and economic prosperity at risk.

H.R. 5616, the BRIDGE Production Act, seeks to address these concerns by mandating four offshore oil and gas sales in the Gulf, two in 2024 and two in 2025.

H.R. 1121 emphasizes the importance of states maintaining their role in regulating hydraulic fracturing on state and private lands, ensuring that any moratorium on hydraulic fracturing can only be declared with congressional authorization.

The Gulf of Mexico Energy Security Act, GOMESA, has been instrumental in generating significant revenues for Gulf-producing states. In Fiscal Year 2023 alone, over \$353 million was disbursed to these states. These funds play a crucial role in supporting initiatives like hurricane preparedness, coastal restoration, and infrastructure improvements. However, the lack of a comprehensive 5-year leasing plan and the potential absence of lease sales in 2024 and 2025 threaten these revenues and, by extension, the well-being of Gulf Coast communities.

As we mark the 70th anniversary of OCSLA and, next year, the 70th anniversary of leasing in the Gulf of Mexico, it is essential to reflect on the historical significance of oil and gas extraction in this region. The challenges faced in the 1970s due to oil embargoes still resonate today, where oil output cuts by major producers like Saudi Arabia and Russia threaten a major market deficit.

As we discuss these critical solutions to attacks on domestic energy production, I urge my colleagues to prioritize American jobs, American technology, economic growth, and energy security. Our nation's abundant natural resources await responsible development, and it is our duty to harness them for the betterment of our economy, our communities, and our allies.

I now yield to my colleague, Ranking Member Kamlager-Dove, for her opening statement.

Ranking Member, you are up for 5 minutes.

STATEMENT OF THE HON. SYDNEY KAMLAGER-DOVE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. KAMLAGER-DOVE. Thank you Chair Stauber, and thank you to our witnesses for traveling all the way to Washington, DC.

Today, just 2 days ahead of a government shutdown with nobody but House Republicans to blame, we are here to discuss two bills: H.R. 5616 and H.R. 1121, both extreme and misguided giveaways to the fossil fuel industry. It is a telling reflection of my colleagues' priorities that they would rather debate the merits of Big Oil giveaways that will, without a doubt, harm our communities than address the critical need to fund essential government services.

In less than 60 hours, funding for disaster response and recovery, nutrition assistance programs, and small business loans could all run out, along with many other programs our constituents rely on. And for my farmers, farmers will be devastated by the Republican shutdown. There will be no farm or acreage payments for you. There will be no subsidies for you. There will be no marketing loans for you. And as a result of these two bills we are hearing today, there will be no clean water for you.

In the face of this imminent government shutdown, we are witnessing a stark illustration of their polluters over people agenda. Let's walk through just how extreme this legislation is.

First, H.R. 5616, known as the BRIDGE Production Act, would force the government to offer almost all of the Gulf of Mexico to the oil and gas industry, not just once, but four times over the next 2 years. This bill would strip the American public's right to up-to-date environmental review and public input for these sales. It would stop the Bureau of Ocean Energy Management from choosing to balance development and environmental risks, considering the laws and goals of affected states, or even whether the oil and gas industry has expressed interest in drilling an area before offering those waters up for leasing.

Even if there are valid lawsuits over these lease sales to protect public health, endangered species, fisheries, or other resources, this bill would prevent the courts from blocking the leases. This eliminates an essential mechanism for public protection and environmental enforcement. We have seen what happens when these protections are waived. The Deepwater Horizon disaster killed 11 workers and spilled over 3 million barrels of oil into the Gulf, poisoning marine life and clean-up crews for years. The exploded well was given repeated categorical exemptions from National Environmental Protection Act reviews.

Our Republican colleagues say it is worth the risk. And looking at the other bill on the agenda, a pattern is clear. H.R. 1121 would block the President from pausing or banning fracking on public lands. Fracking is another form of oil and gas extraction with very little oversight, even though it involves blasting open rocks deep underground with water containing hazardous materials. We still don't fully understand how this could affect drinking water, but loopholes in the Safe Drinking Water Act and Federal regulations leave fracking mostly unregulated.

We know that new wells can consume millions of gallons of water, often taken from aquifers, and that energy giants are now drilling for oil and water. This is important to me, given the Inglewood oil fields are in my urban district, and fracking is still happening, endangering lives, small businesses, children, childcare centers. The list goes on and on.

H.R. 1121 is another piece of the industry-first Republican agenda to take away tools to protect public health and combat the climate crisis. I will remind everyone that Big Oil does not need any favors right now.

With that, I yield back.

Mr. STAUBER. Thank you very much.

Before we go to the witnesses, I ask unanimous consent that my friend and colleague, Mr. Levin from California, be waived on to the Committee.

We will now move to introduce our witnesses. Each witness will have 5 minutes to make their opening statements.

Please press the button down on your microphone so that it glows red, and then you can begin speaking.

Our first witness is Mr. Tim Tarpley, who is the President of the Energy Workforce & Technology Council in Houston, Texas.

Mr. Tarpley, you are now recognized for 5 minutes.

**STATEMENT OF TIM TARPLEY, PRESIDENT, ENERGY
WORKFORCE & TECHNOLOGY COUNCIL, HOUSTON, TEXAS**

Mr. TARPLEY. Chairman Stauber, Ranking Member Kamlager-Dove, and distinguished members of the Subcommittee, thank you for inviting me to testify here today. My name is Tim Tarpley, and I am President of the Energy Workforce & Technology Council, and I am here to testify in support of H.R. 5616 and H.R. 1121.

The Energy Workforce & Technology Council is the national trade association for the energy technology and services sector, representing over 370 companies and employing more than 650,000 energy workers, manufacturers, and innovators in the energy supply chain.

The Russian invasion of Ukraine and the resulting disruption of the world energy supply have made it abundantly clear to the world the importance of energy security. Germany, for instance, made a political decision to rely on Russian gas to power much of their economy. With that source gone, the country has been forced to return about one-fifth of its energy supply to coal-fired power generation. We are fortunate here in the United States. We have the resources that we should never have to make that choice.

The truth is the United States and the world will need a lot more oil and gas in the coming decades, even as new forms of energy

come on-line. In fact, the U.S. Energy Information Administration predicts that worldwide demand for all forms of energy will increase by 50 percent by 2050. The use of hydraulic fracturing on land and access to oil and gas resources offshore are two ways that the United States can meet this demand.

H.R. 5616 and H.R. 1121 guarantee this access, and ensure that the rights to domestic resources development are kept from being interrupted or administratively slowed.

In 1953, Congress passed the Outer Continental Shelf Lands Act, which states that the Bureau of Ocean Energy Management must prepare and maintain forward-looking 5-year plans to schedule proposed oil and gas lease sales in the U.S. Outer Continental Shelf. Under the current administration, this has not occurred. In fact, the most recent 5-year plan expired on June 30, 2022. This delay is counter to the interests of the American people, as these resources provide significant economic benefits to our workforce and economy.

In fact, in 2022, the Gulf of Mexico offshore oil and natural gas industry supported an estimated 372,000 jobs in the United States. And in 2022 alone, oil and gas activity in the Gulf of Mexico contributed approximately \$30.8 billion to the U.S. GDP.

Additionally, oil and gas produced in the Gulf is some of the cleanest produced anywhere. The U.S. Gulf of Mexico boasts approximately half the carbon intensity of other producing regions. A significant contributor to this is effective methane management. The Gulf is also subject to a strong regulatory oversight framework, and has adequate pipeline infrastructure to move product to market safely and efficiently.

So, we must ask ourselves: Why do we continue to delay further production in an area that can provide U.S. energy security, support the U.S. economy and workers, and also provide energy cleaner than nearly anywhere else in the world?

Fortunately, we have legislation in front of us today that will force the Administration to stop bureaucratic delay tactics and follow the law to hold lease sales and allow Americans access to the resources that they are legally entitled to access. H.R. 5616 mandates that the Secretary of the Interior hold no less than four offshore lease sales on specified dates that cannot be bureaucratically delayed.

In regards to the second piece of legislation in front of us today, H.R. 1121, hydraulic fracturing is currently used on 95 percent of new oil and gas wells. When paired with directional drilling, it is the safest and most effective way of accessing hydrocarbons in tight shale formations deep beneath the earth. This technology is responsible for the steep increase in natural gas production we have experienced in the United States over the last 25 years. A ban on hydraulic fracturing would put an end to the abundance of natural gas that has both improved the environment and aided our allies abroad.

According to the EIA, the increased use of cleaner-burning natural gas and power generation is the chief reason U.S. carbon dioxide emissions are at a 25-year low. And the abundance of natural gas in the United States has opened the door to LNG exports, which have allowed us to support our European allies

impacted by the war in Ukraine. H.R. 1121 is a simple, straightforward bill that prohibits the President from declaring a moratorium or ban on the use of hydraulic fracturing unless such a moratorium or ban is authorized by an Act of Congress.

Both H.R. 1121 and H.R. 5616 are key pieces of legislation supporting American energy security. By providing the American people with clear and consistent guarantees that they will be able to access their resources in a timely and consistent manner, we will keep energy costs affordable, keep Americans employed, and support additional investment in our domestic resources.

Thank you.

[The prepared statement of Mr. Tarpley follows:]

PREPARED STATEMENT OF TIM TARPLEY, PRESIDENT, ENERGY WORKFORCE &
TECHNOLOGY COUNCIL

ON H.R. 1121 AND H.R. 5616

Chairman Stauber, Ranking Member Ocasio-Cortez, and distinguished members of the subcommittee, thank you for inviting me to testify here today. My name is Tim Tarpley. As President of Energy Workforce & Technology Council, I am here to testify in support of two important pieces of legislation. H.R. 5616 BRIDGE Production Act of 2023 introduced by Rep. Graves that ensures regulatory roadblocks do not interfere with the American people's ability to access resources offshore and H.R. 1121, the Protecting American Energy Production Act introduced by Rep. Duncan, which would prohibit an administrative ban on hydraulic fracturing unless authorized by Congress.

Energy Workforce & Technology Council is the national trade association for the energy technology and services sector, representing over 370 companies and employing more than 650,000 energy workers, manufacturers and innovators in the energy supply chain. Our workforce is in all 50 states, with representation in the vast majority of congressional districts across the country. Our membership ranges from large energy services companies with global operations all the way down to small family-owned well-servicing companies that operate locally within the U.S. Energy Workforce member companies provide the United States and the world with energy in the most environmentally safe, efficient, and responsible way possible, and our sector is leading the development of technology that will ensure our country maintains energy security that will power our economy and protect our way of life for generations to come.

The Russian invasion of Ukraine and the resulting disruption of the world energy supply has made it abundantly clear to the world the importance of energy security. Maintaining energy security requires long-term investments and commitments to developing reliable energy sources like oil and gas. Not only is this commitment important to maintaining access to energy, but developing hydrocarbons in countries with high environmental standards, like the U.S., allows us to reduce global emissions without sacrificing reliability. Germany, for instance, made a political decision to rely on Russian gas to power much of their economy. With that source now gone, the country has been forced to return about one-fifth of its energy supply to coal-fired power generation.¹ Returning to coal has drastically increased the cost of power across the country—significantly damaging their industrialized economy while simultaneously causing emissions to increase.

In contrast, the United States is blessed with tremendous sources of domestic energy that, if utilized, can protect us from suffering a similar energy-reliance disaster as experienced in Europe. In addition to renewable energy sources, the United States boasts multiple basins with significant oil and natural gas reserves. As long as we continue to allow Americans to access these resources, we will never face such a dilemma.

Producing energy resources is a necessity. The truth is that the United States and the world will need a lot more oil and gas in the coming decades, even as new forms of energy come online. In fact, U.S. Energy Information Administration (EIA) predicts that the worldwide demand for all forms of energy will increase by 50% by

¹(Roach, 2023)

2050.² The only way to meet this increase in demand without sacrificing the environmental progress made over the past 25 years is through a wholehearted commitment to developing the energy resources in the United States. H.R. 5616 and H.R. 1121 guarantee this access and ensure that the rights to domestic resource development are kept from being interrupted or administratively slowed down.

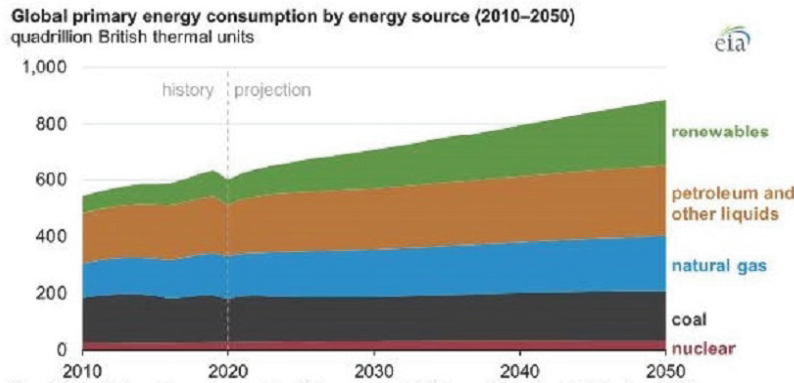


Figure 1. Global Primary Energy Consumption by Energy Source (U.S. Energy Information Administration, 2021)

H.R. 5616 BRIDGE ACT

In 1953, Congress passed the Outer Continental Shelf Lands Act (OCSLA), which states that Bureau of Ocean Energy Management (BOEM), within the Department of the Interior, must prepare and maintain forward-looking five-year plans to schedule proposed oil and gas lease sales on the U.S. Outer Continental Shelf.³ Unfortunately, under the current Administration, this has not occurred. In fact, the most recent five-year plan expired on June 30, 2022, over a year ago.

Delays in restarting the plan have ceased exploratory well drilling, reduced the industry spending levels, drastically decreased employment across the offshore energy sector, lessened gross domestic product (GDP) and government revenues and plummeted oil and natural gas production across the Gulf of Mexico. Further delays will harm the U.S. economy, U.S. employment and force the United States and our allies to use oil and gas from less responsible and reliable sources.

Economy and Jobs

In 2022, the Gulf of Mexico offshore oil and natural gas industry supported an estimated 372,000 jobs in the United States. According to an Energy & Industrial Advisory Partners and National Ocean Industries Association report, in 2022 alone, activity in the Gulf of Mexico contributed approximately \$30.8 billion to the U.S. GDP.⁴ Looking ahead, the report indicates the industry is anticipated to maintain a consistent contribution, averaging about \$31.4 billion of GDP per year over the forecast period from 2022 to 2040. Assuming no further delays, this revenue source is expected to average an annual projection of over \$7.4 billion from 2022 to 2040.

²(U.S. Energy Information Administration, 2021)

³(Office of the Law Revision Counsel of the U.S. House of Representatives, n.d.)

⁴(Energy & Industrial Advisory Partners, 2020)

Economic Impact	Consequences of a 5-year Leasing Program Delay Reductions from Base Case Projection			
	Base Case Projection Average Annual (2022-2040)	Maximum Annual Impact	Average Annual Impact (2022-2040)	Total Cumulative Impact (2022-2040)
Capital Investment and Spending (\$ Billions)	\$30.6 / yr.	-\$10.7 / yr.	-\$5.3 / yr.	-\$99.9
Employment (jobs)	372,012	-115,942	-57,259	N/A
Contributions to GDP (\$ Billions)	\$31.4 / yr.	-\$10.0 / yr.	-\$5.0 / yr.	-\$95.0
Government Revenues (\$ Billions)	\$7.4 / yr.	-\$2.5 / yr.	-\$1.5 / yr.	-\$27.8
Oil and Natural Gas Production million of barrels oil equivalent	2.62 / day	-0.88 / day	-0.48 / day	-3.34 Billion Barrels (19-year Total)

Source: Energy and Industrial Advisory Partners

- The Base Case assumes a continuous leasing program including lease sales in the year 2022.
- The 5-year Program Delay Case assumes the first lease sale for the next 5-year Program will occur in 2028 with continuous lease sales thereafter.

Figure 2. Key Findings: Consequences of a 5-year Leasing Program Delay (Energy & Industrial Advisory Partners, 2022)

U.S. Gulf of Mexico Energy is Cleaner Than Other Options

According to the 2022 NOIA report, the increase in U.S. Gulf of Mexico production, if it were to offset foreign crude or condensate, would significantly reduce carbon intensity. This reduction would amount to a remarkable 46% decrease in the international average carbon intensity for the displaced oil. This is equivalent to removing 11.3 CO₂e kg/bbl from the current global average of 24.4 CO₂e kg/bbl.⁵ The U.S. Gulf of Mexico stands out as a region with some of the lowest carbon barrels of oil, particularly when compared to other oil-producing regions. A significant contributor to this is effective methane management. U.S. offshore operations in the Gulf of Mexico maintain stringent controls on methane emissions, resulting in notably lower emissions than those observed in other producing regions. The Gulf is also subject to a strong regulatory oversight framework and has adequate pipeline infrastructure to move product to market safely and efficiently.

In fact, the U.S. Gulf of Mexico boasts approximately half the carbon intensity of other producing regions.⁶ What's more, this environmental performance continues to improve. From 2011 to 2017, according to the BOEM, carbon emissions from U.S. Gulf operations decreased by approximately 60%, even as oil production increased by over 35%.⁷

So, we must ask ourselves why do we continue to delay further production in an area that can provide U.S. energy security, support the U.S. economy and workers and provide energy cleaner than anywhere else in the world? Fortunately, we have legislation in front of us today that will force the Administration to stop bureaucratic delay tactics and follow the intent of OCSLA to hold lease sales and allow Americans access to the resources they are legally entitled to access. H.R. 5616 BRIDGE Production Act 2023 mandates that the Secretary of Interior hold no less than four offshore lease sales on specified dates that cannot be bureaucratically delayed. This mandate should not be necessary, as we should already have a 5-year lease plan according to existing law, but unfortunately, we do not. This mandate will bring regulatory certainty for the energy workforce that relies on the offshore for their livelihood and will allow for long-term investments necessary to continue to develop our offshore resources.

Hydraulic Fracturing

Hydraulic fracturing, or fracking for short, originated in the 1940s and is currently used on 95% of new oil and gas wells today.⁸ There is a reason this process is utilized so widely in oil and gas production. When paired with directional drilling, it is the safest and most effective way of accessing hydrocarbons in tight shale formations deep beneath the earth.

⁵(Energy & Industrial Advisory Partners, 2022)

⁶(Energy & Industrial Advisory Partners, 2022)

⁷(Energy & Industrial Advisory Partners, 2022)

⁸(U.S. Energy Information Administration, 2016)

This technology is responsible for the steep increase in natural gas production we've experienced in the U.S. over the last 25 years. A ban on hydraulic fracturing would put an end to the abundance of natural gas that has both improved the environment and aided our allies.

According to the EIA, the increased use of cleaner-burning natural gas in power generation is the chief reason U.S. carbon dioxide emissions are at 25-year lows. And the abundance of natural gas in the U.S. has opened the door for LNG exports, which have allowed us to support our European allies impacted by the war in Ukraine.

Unfortunately, the debate over hydraulic fracturing has become politically weaponized, with four states prohibiting fracturing within their borders and President Biden making several statements before taking office that suggested he would consider banning hydraulic fracturing. Fortunately, the Administration has not taken that catastrophic action, but continued statements from Administration officials against fracking make it clear they have not given up on that campaign promise, and our workforce remains concerned they could in the future.

H.R. 1121 is a simple, straightforward bill that prohibits the President from declaring a moratorium or ban on the use of hydraulic fracturing unless such a moratorium or ban is authorized by an Act of Congress. The bill ensures Americans will continue to have full access to their resources on both public and private lands through hydraulic fracturing. Let us be clear about what is at stake here. With 95% of new onshore wells in the United States requiring hydraulic fracturing, a moratorium or ban would shut down new production in the United States. That means dramatically higher gas prices, no new investment, job losses and loss of United States energy security and the environmental gains the U.S. has made.

Conclusion

Both H.R. 1121 and H.R. 5616 are key pieces of legislation supporting American energy security. By providing the American people with clear and consistent guarantees that they will be able to access their resources in a timely and consistent manner, we will keep energy costs affordable, keep Americans employed and support investment in our domestic resources. This consistency will ensure the energy security of not only the United States but our friends and allies abroad. America should never find itself in a situation where our economy, or our politics for that matter, are held hostage by a foreign nation. We have been blessed with adequate resources to avoid that fate, and these two pieces of legislation before us here today help protect that blessing. I urge your support of these two critical pieces of legislation to protect American energy security.

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QUESTIONS SUBMITTED FOR THE RECORD TO MR. TIM TARPLEY, PRESIDENT, ENERGY WORKFORCE & TECHNOLOGY COUNCIL

Questions Submitted by Representative Stauber

Question 1. The BRIDGE Production Act requires the Bureau of Ocean Energy Management (BOEM) to utilize the 2017–2022 Record of Decision for the sales required in the bill, will BOEM still be required to conduct site-specific National Environmental Policy Act (NEPA) reviews, including Environmental Assessments (EAs) or Environmental Impact Statements (EISs), to assess the unique environmental conditions and potential impacts of individual lease sales?

Answer. Once a Programmatic EIS (PEIS) and ROD for a proposed program are completed, site-specific NEPA reviews are conducted for individual lease sales or other actions. This review can take the form of a new EIS, a Supplemental EIS, or an Environmental Assessment (EA) depending on the potential impacts of the specific action. The site-specific review will consider the unique environmental conditions and potential impacts of the specific lease sale or action, so there could not be leasing without additional EA, potentially EIS, or utilization of CX (which doesn't exist for site specific, so no option there).

Question 2. Can you elaborate on how the site-specific NEPA reviews will ensure that environmental safeguards are in place for each individual lease sale, even after the application of the 2017–2022 ROD?

Answer. There are 5 major steps for the leasing process:

1. BOEM issues a Call for Information and Nominations [(30 Code of Federal Regulations [CFR] 556.301)]—(Call) in the Federal Register on an area proposed for leasing. Potential bidders are invited to submit nominations or indications of interest in specific OCS blocks within the Call Area. The Call also solicits comments about geological conditions; archaeological sites; potential multiple uses of the area including navigation, recreation, and fisheries; socioeconomic, biological, and other environmental information; and asks the public for information on areas of special concern that should be analyzed.
2. Area Identification (30 CFR 556.302)—Area Identification (Area ID) is the second major step in BOEM's oil and gas lease sale process. During Area ID, BOEM uses information and comments received in response to a Call, and in consultation with appropriate Federal agencies, develops a recommendation to the Secretary for the area(s) to be subject to further leasing consideration and environmental analyses. The Area ID decision is announced in the Federal Register.
3. Review under NEPA—BOEM performs a NEPA review for each lease sale. This typically includes an EIS that considers the impacts associated with oil and gas activities for a given region or program area. The NEPA for subsequent lease sales in the same region or program area may rely on that EIS as appropriate, after BOEM confirms through a DNA or EA that EIS supplementation is not required.
4. Government-to-Government Consultations—Under Executive Order (E.O.) 13175 and the Department of the Interior Policy on Consultation with Indian Tribes, BOEM is obligated to engage in government-to-government consultations with Tribes on any Departmental action with Tribal implications. This includes federally recognized Tribes with current and historic interests in coastal areas of Alaska, the Pacific, the GOM, and the Atlantic. In Alaska, BOEM additionally consults with Alaska Native Claims Settlement Act (ANCSA) Corporations. These consultations are conducted on additional approvals (e.g., plans and permits) as appropriate throughout the life of an OCS oil and gas lease.

5. Environmental Consultations—Consultations under various environmental statutes occur, such as the Endangered Species Act (ESA) of 1973 (16 U.S.C. §§1531 et seq.) and Section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. §§1801 et seq.). Pursuant to these environmental statutes, BOEM is required to consult with agencies such as the U.S. Fish and Wildlife Service (USFWS) 12 Solicitor’s M Opinion 36954, Whether the Department May Issue a Call for Information & Nominations for Outer Continental Shelf Lease Sale 91, 93 I.D. 125 (1986). USDOJ 2024–2029 National OCS Oil and Gas Leasing Proposed Final Program BOEM OCS Oil & Gas Leasing Program Development Process 1-22 September 2023 and National Marine Fisheries Service (NMFS). BOEM also consults, as appropriate, under Section 106 of the National Historic Preservation Act (54 U.S.C. §306108).
6. Proposed Notice of Sale (NOS) (30 CFR 556.304)—The proposed NOS describes the timing, size, and location of a proposed oil and gas lease sale. It also provides potential bidders with information on proposed economic terms and conditions and any proposed mitigation measures (i.e., lease stipulations), which are typically designed to reduce potential conflicts with other ocean uses and to protect the environment. BOEM publishes a notice of availability of the proposed NOS in the Federal Register.
7. Coordination with Governors of Affected States (30 CFR 556.304-307)—Section 19 of the OCS Lands Act (43 U.S.C. §1345) requires BOEM to solicit input on the size, timing, and location of lease sales from governors of affected states. BOEM sends the proposed NOS to governors of affected states requesting their recommendations on the proposed size, timing, and location of the lease sale. The governors have 60 days to submit their recommendations to BOEM. Prior to holding the lease sale, BOEM sends each governor written reasons for USDOJ’s determination to accept or reject that governor’s recommendation.
8. Consistency Determination (30 CFR 556.305(b))—All Federal activities affecting the coastal zone, including OCS oil and gas lease sales, must be consistent to the maximum extent practicable with the enforceable policies of an affected state’s coastal zone management (CZM) program (see 16 U.S.C. §1456(c)(1) and (2)). BOEM provides coastal states with a consistency determination on whether the proposed lease sale is consistent, to the maximum extent practicable, with the enforceable policies of federally approved state Coastal Management Plans. That is not done, however, for Alaska lease sales since the State of Alaska no longer has a federally approved Coastal Management Plan. For more information on BOEM’s CZM work, see https://link.edgepilot.com/s/75ed2c3d/r_tC9ED_9Eqts_k0zdsj-A?u=https://www.boem.gov/CoastalZone-Management-Act/.
9. Issuance of a ROD (EIS-level), Finding of No New Significant Impact (FONSI; EALevel) or DNA—Upon completion of the NEPA review for each individual lease sale, a determination is made as to the significance, or lack thereof, of potential environmental impacts. Depending on the type of NEPA review undertaken for a lease sale, the NEPA review process is completed through the issuance of a ROD, a FONSI, or a DNA.
10. Final NOS (30 CFR 556.308(a))—BOEM will publish a final NOS at least 30 days before a lease sale is held. The final NOS includes information on how to submit bids; the date, time, and location of the bid opening and reading; the OCS blocks being offered; and terms and conditions of the lease sale, including lease stipulations.
11. Holding the Lease Sale (30 CFR 556.516)—BOEM opens the sealed bids at the place, date, and hour specified in the final NOS for the sole purpose of publicly announcing and recording the bids. BOEM does not accept or reject any bids at that time. USDOJ 2024–2029 National OCS Oil and Gas Leasing Proposed Final Program BOEM OCS Oil & Gas Leasing Program Development Process 1-23 September 2023
12. Lease Issuance (30 CFR 556.520-522)—Before a lease can be issued, high bids are subject to evaluation regarding the receipt of fair market value (FMV) and analysis confirming that the award of any tract to the highest bidders in the lease sale would not create or maintain a situation inconsistent with anti-trust laws. BOEM will issue a lease following completion of its FMV analysis and the anti-trust review conducted by the Department of Justice in consultation with the Trade Commission.

Mr. STAUBER. Thank you very much. Our next witness is Dr. Greg Upton, who is the Executive Director and Associate Professor of Research at LSU Center for Energy Studies in Baton Rouge, Louisiana.

Dr. Upton, you are now recognized for 5 minutes.

STATEMENT OF GREG UPTON, EXECUTIVE DIRECTOR AND ASSOCIATE PROFESSOR OF RESEARCH AT LSU CENTER FOR ENERGY STUDIES, BATON ROUGE, LOUISIANA

Dr. UPTON. Good afternoon, Chairman Stauber and Committee. Thank you for having me today.

In my testimony, I would like to provide some perspective into Louisiana's road to decarbonization, how a historically hydrocarbon-based economy is evolving, and how Federal policies to restrict supply of those hydrocarbons might impact that strategy. But first, a few stylized facts.

One, U.S. energy demand has been relatively flat over the past decade, and this trend is expected to continue. On one hand, economic growth increases energy demand. On the other, efficiency reduces energy demand. In net, in the United States, these two effects are approximately in balance. For example, U.S. gasoline and electricity demand are within 2 percent of levels observed 10 years ago today.

Second, U.S. oil production has increased by 83 percent, natural gas production by 47 percent, and renewable energy production by 51 percent over the same 10 years. So, domestic energy demand has been relatively flat, while energy supply has increased.

One might ask, where have these products gone? The answer lies in Stylized Fact 3: the United States is an exporter of hydrocarbon-based products. These products are not only fuels, but also include chemical products such as fertilizers and polymers.

In 2022, the United States exported \$341 billion in oil and gas, refined products, and chemicals, with 58 percent of these products coming from the Gulf Coast region. Excluding chemicals, 88 percent of oil, gas, and refined products came from the Gulf Coast. Facilitating and expanding exports has attracted billions of dollars of capital from all over the world. It has affected jobs in our region.

Today, interestingly, customers around the world are asking companies: (1) to credibly document life cycle emissions, and (2) reduce those emissions. Investors, again, from all over the world, are increasingly considering the carbon intensity when deciding where to deploy this capital. So, to attract capital and sustain demand, hydrocarbon-based manufacturers are balancing two objectives.

First, companies must remain cost competitive. If they invest too heavily in reducing emissions, their products could become too expensive for the global market.

But second, companies also seek competitive emissions profiles. If the manufacturing sector ignores this call to decarbonize and exclusively focuses on cost, the sector might also find itself at a competitive disadvantage.

How is this relevant to the two bills being discussed today, one bill on the continuation of offshore leasing, the second on hydraulic fracturing? The answer lies in the strategies to decarbonize.

Over the next decade, fossil fuels will continue to play an important role in our energy mix. They currently make up over 80 percent of global energy consumption, and energy consumption globally is expected to grow. Companies are investing in carbon capture utilization and storage, hydrogen and ammonia production, electrification of industrial processes alongside emissions reductions on the grid, utilizing bio-based feedstocks, as well as investments in the production of lower-emission sources of fossil-based hydrocarbons. Companies are also paying increasing attention to leaks and fugitive emissions.

Most of these pathways, and thus prior-mentioned investments, require the availability of fossil fuels. The U.S. Energy Information Administration's most recent annual energy outlook's base case scenario is that U.S. fossil fuel production continues to increase, while energy-related carbon dioxide emissions are reduced.

In my opinion, policies aimed at reducing fossil fuel supply within the United States put this decarbonization strategy at risk, as investments in decarbonizing this industrial supply chain are likely to slow if firms anticipate reduced access to these feedstocks.

While reducing domestic supply can reduce global consumption through the channel of increased prices for consumers, some of this supply decrease will be offset by oil and gas production elsewhere, whether domestically or internationally. Economic theory predicts that it is the interaction between emissions intensity of different supply sources and consumption reductions that determine the net impact of supply restrictive policies on emissions.

That is a mouthful. To put more simply, the net effect of a supply-reducing policy on emissions is ambiguous. But economic theory unambiguously predicts increased prices for consumers.

While supply-reducing policies might seem like the logical way to rapidly reduce emissions, in my opinion this is not an efficient strategy for achieving politically and economically sustainable emissions reductions over the coming decade.

Thank you for your time.

[The prepared statement of Dr. Upton follows:]

PREPARED STATEMENT OF GREGORY B. UPTON, JR, PH.D., INTERIM EXECUTIVE
DIRECTOR & ASSOCIATE RESEARCH PROFESSOR CENTER FOR ENERGY STUDIES,
LOUISIANA STATE UNIVERSITY
ON H.R. 5616 AND H.R. 1121

Good afternoon. My name is Greg Upton. I'm the Interim Executive Director¹ of the Louisiana State University Center for Energy Studies.² Thanks for having me.

In my testimony today, I'd like to provide some perspective into Louisiana's road to decarbonization,³ how a historically hydrocarbon intensive economy is evolving, and then how federal policies to restrict the supply of fossil-based hydrocarbons, if pursued, might impact this strategy.

¹And Associate Research Professor.

²The Louisiana State University Center for Energy Studies (CES) was created by the Louisiana Legislature in 1982. CES is mandated to provide energy information and analysis that responds to the needs of the legislature, public agencies, business and civic groups, as well as the general public.

³For more on Louisiana's specific decarbonization strategy, see the Louisiana Climate Action Plan. Climate initiatives Task for Recommendations to the Governor. February 2022.

But first, a few stylized facts:

One: U.S. energy demand has been relatively flat over the past decade, and this trend is expected to continue.⁴ On one hand, economic growth increases energy demand. On the other, efficiency reduces energy demand. In net, in the U.S. these two effects are approximately in balance. For example, U.S. gasoline and electricity demand are within two percent of levels observed ten years ago.⁵

Second: But U.S. oil production has increased by 83 percent,⁶ natural gas production by 47 percent,⁷ and renewable energy production by 51 percent⁸ over the same ten years.

So, domestic energy *demand* has been relatively flat, while energy *supply* has increased. One might ask, where have these products gone?

The answer lies in Stylized Fact 3: The U.S. is an exporter of hydrocarbon-based products. These products are not only fuels; but also include chemical products, such as fertilizers and polymers. In 2022, the U.S. exported \$341 billion⁹ in oil, gas, refined products, and chemicals, with 58 percent of these products coming from the Gulf Coast region.¹⁰ Excluding chemicals, 88 percent of oil, gas and refined products exports came from the Gulf Coast. Facilitating and expanding exports has attracted billions of dollars of capital from all over the world.¹¹

So where does decarbonization fit into this?

The 2016 Paris Agreement includes more than 190 countries, accounting for over 98 percent of global emissions. Today, customers around the world are asking companies to (1) credibly document life cycle emissions and (2) reduce emissions. Investors, again from all over the world, are increasingly considering the carbon intensity when deciding where to build capital.

To attract capital and sustain demand, hydrocarbon-based manufacturers are balancing two objectives: First, companies must remain cost competitive. If they invest too heavily in reducing emissions, their products could become too expensive for the global market. But second, companies also seek competitive emissions profiles. If the manufacturing sector ignores this call to decarbonize, and exclusively focuses on cost, the sector might also find itself at a competitive disadvantage.

How is this relevant to the two bills being discussed today, one bill on the continuation of offshore leasing,¹² the other on hydraulic fracturing?¹³ Both bills are in response to potential federal policies to restrict domestic oil and gas supply.

The answer lies in the strategies to decarbonize. Over the next decade, fossil fuels will continue to play an important role in our energy mix.¹⁴ They currently make

⁴U.S. Energy Information Administration. Annual Energy Outlook 2023. Table 1. Total Energy Supply, Disposition, and Price summary. Total consumption (in quads) in 2032 is anticipated to be within 1 percent of 2022 total consumption (in quads).

⁵U.S. Energy Information Administration. Weekly U.S. Product Supplied of Finished Motor Gasoline Thousands Barrels Per day. Comparison of average weekly value in 2022 (most recent year of data) to 2012. 2022 value is 0.62 percent higher than 2012. U.S. Energy Information Administration. Form EIA-861, "Annual Electric Power Industry Report.", Form EIA-861-S, "Annual Electric Power Industry Report (Short Form)" and Form EIA-923, "Power Plant Operations Report." Table 2.2. Sales and Direct Use of Electricity to Ultimate Customers by Sector, by Provider, 2011 through 2021 (Megawatt hours). 2021 total end use (most recent year of data) is 1.6 percent higher than 2011 value.

⁶U.S. Energy Information Administration. U.S. Field Production of Crude Oil (Thousand Barrels per Day). Sourcekey: MCRFPUS2. Comparison of 2022 and 2002.

⁷U.S. Energy Information Administration. U.S. Natural Gas Gross Withdrawals (MMcf). Sourcekey: N9010US2. Comparison of 2022 and 2002.

⁸U.S. Energy Information Administration. U.S. energy facts explained. U.S. Primary energy production by major sources, 1950–2022. Renewables accounted for 8.9 quadrillion British Thermal Units in 2012 and 13.4 quadrillion British Thermal Units in 2022, an increase of 50.6 percent.

⁹U.S. Census Bureau. USA Trade Online, State Export Data (Origin of Movement) by NAICS. Includes: NAICS 211—Oil and Gas; 324—Petroleum & Coal Products; 325—Chemicals.

¹⁰Gulf Coast includes Alabama, Louisiana, Mississippi, and Texas.

¹¹LSU Center for Energy Studies. 2023 Gulf Coast Energy Outlook. This annual outlook identified approximately \$180 billion in investments since 2011, with an addition \$175 billion in current announcements in our region.

¹²H.R. 5616 (Rep. Graves), "BRIDGE Production Act of 2023."

¹³H.R. 1121 (Rep. Duncan), "Protecting American Energy Production Act."

¹⁴U.S. Energy Information Administration. Annual Energy Outlook. Table 1. Total Energy Supply Disposition and Price Summary. In 2022, EIA estimates that fossil fuels, including petroleum and other liquids, natural gas, and coal made up 80 percent of the total quads of energy. By 2050, EIA estimates that fossil fuels will make up 66 percent. Over that time period, petroleum and other liquids consumption will reduce by 2 percent and natural gas consumption will reduce by 6 percent. Coal is anticipated to see the largest reduction in consumption; 66 percent reduction between 2022 and 2050. Note this footnote is referencing *consumption*, not *production*.

up over 80 percent of global energy consumption,¹⁵ and energy consumption *globally* is expected to *grow*.

Companies are investing in carbon capture, utilization and storage, hydrogen and ammonia production, electrification of industrial processes alongside emissions reductions on the grid, utilizing bio-based feedstocks, as well as investments in the production of lower emissions sources of fossil-based hydrocarbons. Companies are also paying increasing attention to leaks and fugitive emissions.¹⁶

Most of these pathways, and thus prior-mentioned investments, require the availability of fossil fuels. The U.S. Energy Information Administration's most recent Annual Energy Outlook's base case scenario is that U.S. fossil fuel production continues to increase,¹⁷ while energy-related carbon dioxide emissions are reduced.¹⁸ In my opinion, policies aimed at reducing fossil fuel supply in the U.S. put this decarbonization strategy at risk, as investments in decarbonizing this industrial supply chain are likely to slow if firms anticipate reduced access to feedstocks. While reducing domestic supply can reduce global consumption, through the channel of increased prices for consumers, some of this supply decrease will be offset by oil and gas production elsewhere, whether domestically or internationally. Economic theory predicts that it is the interaction between emissions intensity of different supply sources and consumption reductions induced by increased prices that determine the net impact of supply restrictive policies on emissions.¹⁹ That's a mouthful. So, put more simply, the net effect of supply-reducing policies on emissions is ambiguous, but economic theory unambiguously predicts increased prices for consumers.

While supply restricting policies might seem like the logical way to rapidly reduce emissions, in my opinion this is not an efficient strategy for achieving politically and economically sustainable emissions reductions over the coming decades. Other policies such as prioritizing lower carbon sources of energy, reducing demand for emitting activities, and market-based policies might be better choices if the goal is to reduce greenhouse gas emissions.

Thank you for your time.

Mr. STAUBER. Thank you very much. Our next witness is Mr. Chett Chiasson, who is the Executive Director for Port Fourchon, based in Cut Off, Louisiana.

Mr. Chiasson, you are now recognized for 5 minutes.

¹⁵U.S. Energy Information Administration. International. Primary Energy. World. Comparing coal, natural gas, and petroleum to total consumption. Quad btus.

¹⁶For a recent review of upstream flaring and methane emissions see: The Economics of Natural Gas Flaring in US Shale: An Agenda for Research and Policy. Agerton, Gilbert & Upton. *Review of Environmental Economics and Policy*, volume 17, number 2, summer 2023.

¹⁷U.S. Energy Information Administration. Annual Energy Outlook 2023. Table 1. Total Energy Supply Disposition and Price Summary. U.S. oil production base case scenario grows by 11 percent between 2022 and 2050. U.S. dry natural gas production base case scenario increases by 15 percent over this same time period.

¹⁸U.S. Energy Information Administration. Annual Energy Outlook 2023. AEO2023 Narrative, Figure 1.

¹⁹Considers an upward sloping supply curve and downward sloping demand curve on P, Q axes (with P on the vertical axis and Q on the horizontal axis). Basic economic theory predicts that a policy to shift supply "left" will increase the equilibrium price (P^*) and decrease the equilibrium quantity (Q^*). But the reduced quantity in equilibrium is less than the specific supply that is restricted from the market, as production will increase elsewhere in response to the price increase. This is what simplistic economic theory would predict. The specific magnitude of the effect is an empirical question and could be different in the short-term and long-term and different based on what specific supply restricting policies are considered.

**STATEMENT OF CHETT CHIASSON, EXECUTIVE DIRECTOR,
PORT FOURCHON, FOURCHON, LOUISIANA**

Mr. CHIASSON. Good afternoon, Mr. Chairman and members of the Committee. My name is Chett Chiasson, and I am the Executive Director of the Greater Lafourche Port Commission, otherwise known as Port Fourchon. I appreciate the opportunity to appear before you today.

Mr. Chairman, I have more extensive written testimony that I would like to submit for the record with your approval.

I applaud this Committee for holding this hearing today, and I endorse H.R. 5616 by Louisiana Congressman and my friend, Garret Graves.

I also want to recognize the long-standing and continued efforts of my Congressman, Majority Leader Steve Scalise, on a host of issues but in this context for the work on H.R. 1 and his collaboration with Chairman Westerman and other members of this Committee in getting this legislation passed by the House.

What H.R. 5616 means to me is promoting a level of certainty in the Federal regulatory process. Port Fourchon is a governmental entity, a political subdivision of the state of Louisiana operating autonomously. We have a board of commissioners consisting of nine elected board members, each serving 6-year terms. Thus, at all times, we serve not only as a vital part of our community, but are held accountable to and by our community for our operations.

An integral part in providing services to our tenants and supporting the economy of our region and state is a necessity to plan for the future: developing a yearly budget, forecasting future expenses and revenues, developing and adjusting as necessary our 5-year capital improvement program.

Everything we do is impacted by Federal and state policies, whether it is related to offshore energy production, environmental protection, or international trade, and a host of other matters. We actively and effectively work with our state and Federal representatives on policy matters impacting our industry. But the most difficult aspect of working within a framework of Federal, state, and local laws is the uncertainty of what will occur in the future, even the near future, with respect to policies.

The issue of lease sales and development of a 5-year plan for Gulf of Mexico leasing is a perfect example. Offshore operators, who essentially are our customers' customers, must plan multiple years in advance for investments in the hundreds of millions of dollars for projects that will take multiple years to develop, once permitted, before they ever begin producing. Our tenants, in turn, must develop future plans to accommodate their customers' needs, which in turn requires Port Fourchon to anticipate our customers' future needs, nearly all of which requires us budgeting for future revenue and expenditures.

In brief, a bold, 5-year plan with guaranteed lease sales is the best indicator for us as to where the Gulf of Mexico energy activity will head in the near future.

Let me switch gears quickly on two other matters. The first is offshore renewable energy.

The interest in offshore renewables has peaked dramatically in the past couple of years. There are weeks that I spend as much

time meeting with potential tenants and other industry groups discussing offshore renewable energy as I do conventional energy. We currently have two written agreements, not leases yet, but two agreements with potential tenants who are actively planning for offshore renewable projects in the Gulf, not far from Port Fourchon. I like to refer to this next chapter in the Gulf of Mexico's future as an energy addition, the addition of renewable energy of America's energy portfolio.

This subject does and will continue to be debated as to whether or when we transition away from the use of fossil fuels in this country and throughout the world. I, for one, do not see the discontinuation of fossil fuels in my lifetime, if at all. I say that more as a consumer of products and services than I do as someone in the energy industry. But what I do see, what I am actively engaged in at this very moment, is securing the addition of renewable energy in the Gulf of Mexico in my lifetime. But that also requires reliable governmental planning at the Federal and state level, and a coordination of planning for continued conventional and renewable energy.

As happy as I was to see BOEM develop wind energy areas and recently conduct their first lease sale for wind in the Gulf, I was disappointed in the areas that BOEM selected for the sale, which I believe had an impact on the low number of bids received. That is an entirely different topic, and goes beyond the scope of this hearing or my testimony, but we are actively working with BOEM on that issue, and I remain encouraged over the prospect of the addition of renewable energy in the Gulf of Mexico's energy portfolio that it supplies to this country.

However, the common thread to all of this is steady, reliable, multi-year Federal leasing policies for all available energy activities.

Finally, Mr. Chairman, while my written testimony discusses this in more detail, I want to briefly mention the current Rice's whale issue. This, too, is an example of where Federal policy significantly impacts commercial operations in the Gulf. I would like to stress that the efficiency of commercial maritime operations, as well as safety of vessels and mariners operating in the Gulf, must at all times be given great consideration.

This concludes my oral remarks. Again, I appreciate the opportunity to appear before you today, and would be pleased to answer any questions. Thank you.

[The prepared statement of Mr. Chiasson follows:]

PREPARED STATEMENT OF CHETT C. CHIASSON, MPA, EXECUTIVE DIRECTOR,
GREATER LAFOURCHE PORT COMMISSION, GALLIANO, LOUISIANA

ON H.R. 5616 AND H.R. 1121

Good morning Mr. Chairman and Members of the Committee. My name is Chett Chiasson, and I am the Executive Director of the Greater Lafourche Port Commission, otherwise known as Port Fourchon. I appreciate the opportunity to appear before you today.

While I appear today on behalf of Port Fourchon, I also serve on the Louisiana Governor's Advisory Commission for Coastal Activities, the Louisiana Coastal Protection and Restoration Authority Finance Corporation, the Bureau of Ocean Energy Management's Renewable Energy Task Force, the Executive Board of Restore or Retreat, a regional non-profit coastal restoration advocacy group. I am

also on the Board of Directors of the American Association of Port Authorities (Vice Chair), the Board of Directors of the Gulf Ports Association (Vice President), a member of the Ports Association of Louisiana, National Ocean Industries Association, and Business Network for Offshore Wind. I hold a B.A. and Masters Degree in Public Administration from Louisiana State University.

Port Fourchon is located on the Gulf of Mexico near the mouth of Bayou Lafourche, and is the only Louisiana port directly on the Gulf of Mexico. Although 675 million barrels of domestically produced and imported crude oil per year are transported via pipelines through or near the Port, Port Fourchon does not itself handle any bulk oil and gas. Rather, we are an intermodal offshore services and supply port. More than 250 companies utilize Port Fourchon in servicing offshore energy activities in the Gulf of Mexico, carrying equipment, supplies and personnel to offshore locations. In terms of service, Port Fourchon's tenants provide services to more than 90 percent of all deepwater rigs in the Gulf of Mexico, and roughly 45% of all shallow water rigs in the Gulf. Eighty percent of all Gulf oil now comes from deepwater Gulf of Mexico operations. In total, Port Fourchon plays a key role in providing nearly 20% of the nation's oil supply—or one in every five barrels of oil in the country is serviced by Port Fourchon.

Translating that to economic impact, offshore oil and gas activities produce 345,000 U.S. jobs, \$28.6 billion in Gross Domestic Product impact, and more than \$5 billion annually in government revenues. Gulf of Mexico energy activities will produce \$353 million in Gulf of Mexico Energy Security Act (GOMESA) funding, and \$1 billion in funding for the Land and Water Conservation Fund.

The local impact of our Port operations to South Louisiana is significant. Port Fourchon is responsible for over 8000 direct jobs in the Houma-Thibodaux MSA. Eight out of the top ten taxpayers in Lafourche Parish are either a tenant of the Port or otherwise operate in the offshore energy sector. The economic activity from Gulf of Mexico energy operations supports not just jobs, but provides substantial funding to Lafourche Parish and neighboring Parishes, and other local governmental entities, providing services like after school programs, economic development assistance, public works projects, and emergency preparedness. Offshore energy serves as an economic base for our levee and water districts, and emergency responders. Offshore energy production is vital to all of these services that impact our daily lives, where we live, work and raise our families. Simply put, offshore energy is the underpinning of our economy and quality of life.

I applaud the Committee for holding this hearing today, and I endorse the underlying concepts in H.R. 5616 and H.R. 1121. What these bills mean to me is promoting a level of *certainty* in the federal regulatory process, and with respect to H.R. 5616, provide certainty with the pending 2023–2028 National Outer Continental Shelf (OCS) Oil and Gas Leasing Program. Being a governmental entity, Port Fourchon at all times serves not only as a vital part of our community, but we are held accountable to and by our community for our operations. An integral part in providing services to our tenants and supporting the economy of our region and state is the necessity to plan for the future—developing a yearly budget, forecasting future expenses and revenues, developing and adjusting as necessary our 5 year Capital Improvement Program. Everything we do is impacted by federal and state policies, whether it's related to offshore energy production, environmental protection, international trade and a host of other matters. We actively and I believe effectively work with our state and federal representatives on policy matters impacting our industry—we try to contribute to policy decisions at these levels as much as possible. But the most difficult aspect of working within a framework of federal, state and local laws is the uncertainty of what will occur in the future—even the near future, with respect to these policies. We as a Nation cannot predict with any level of certainty the next natural disaster, the next pandemic, or the next international conflict. All of these, of course, impact all of our daily lives today. But we as a Nation should be able to develop governmental policies in a reliable and timely fashion, particularly those policies that impact investment by local governments and the private sector.

The issue of lease sales and the development of the next 5-year plan for Gulf of Mexico leasing is a perfect example. Offshore operators, who essentially are the customers of our customers, must plan multiple years in advance for investments in the hundreds of millions of dollars, for projects that will take multiple years to develop once permitted, before they ever begin producing. Our tenants, in turn, must develop future plans to accommodate their customer's needs, which in turn requires Port Fourchon to anticipate *our* customers' future needs, nearly all of which requires us budgeting for future revenues and expenditures. In brief, a BOEM 5 year plan, with guaranteed lease sales, is the best indicator for us as to where the Gulf of Mexico energy activity will head in the near future.

A recent study conducted by the American Petroleum Institute (API) and the National Ocean Industries Association (NOIA) forecasted the economic impact from a lapse of a 5-Year Program. The report states:

- With a 5-year offshore leasing program, the Gulf of Mexico is projected to produce an average of 2.6 million barrels of oil and natural gas from 2022–2040. A delay in the program could mean nearly 500,000 barrels per day less over that time period.
- In 2036, the lost Gulf of Mexico production could mean 885,000 fewer barrels of oil and natural gas per day—a 33% decrease from where the Country would be with a 5-year offshore leasing plan in place.
- 370,000 American jobs are supported by Gulf of Mexico offshore production. Nearly 60,000 of those could be lost without a 5-year offshore leasing program.
- Direct jobs supporting the offshore oil and gas industry pay on average nearly \$70,000. That's 29% higher than the national average salary.
- On average, \$1.5 billion per year in government revenue could be lost with reduced offshore production. That's revenue that could be used for public education, infrastructure, conservation projects, coastal restoration and hurricane protection programs.

Let me switch my testimony to other matters. The first is offshore renewable energy. The interest in offshore renewable energy has peaked dramatically in the past couple of years. There are weeks that I spend as much time meeting with potential tenants and other industry groups discussing offshore renewable energy as I do conventional energy. We currently have two written agreements with potential tenants who are actively planning for offshore renewable projects in the Gulf, not far from Port Fourchon. I like to refer to this next chapter in the Gulf of Mexico's future as "energy addition"—the *addition* of renewable energy to America's energy portfolio.

The Gulf of Mexico's involvement in renewable energy is not new. More than ten years ago, offshore service companies located at Port Fourchon began building vessels designed to participate in offshore wind turbine installation in the Northeast and Mid-Atlantic coast. Currently, Edison Chouest Offshore has vessels under construction designed to participate in offshore renewable development. Indeed, it is the expertise that has been developed in the offshore oil and gas industry over the past 70 years—with technology that continues to be developed every year, which serves as the foundation for the growing offshore renewable energy industry.

The relationship and dependency between offshore conventional energy and renewable energy is now even more prominent under the recently enacted Inflation Reduction Act (IRA.) This law requires an oil and gas lease sale to be held within one year of conducting an offshore wind lease. Lease Sale 261, just conducted yesterday (September 27), was the last oil and gas lease sale under the current 5-year plan. Thus, under the IRA, without a new 5-year plan and lease sales conducted under that plan, offshore wind leases can only be issued through September 2024.

The subject as to whether or when we transition away from the use of fossil fuels in this country and throughout the world continues to be debated. I for one do not see the *discontinuation* of fossil fuels use in my lifetime, if at all. I say that more as a consumer of products and services than I do as someone in the energy industry. But what I *do* see, *what I am actively engaged in at this very moment*, is securing the *addition* of renewable energy in the Gulf of Mexico—in *my lifetime*. But that also requires reliable governmental planning at the federal and state level, and a coordination of planning for continued conventional and renewable energy. As happy as I was to see BOEM develop Wind Energy Areas and recently conduct their first lease sale for wind in the Gulf of Mexico, I was disappointed in the areas that BOEM selected for the sale, which I believe had an impact on the low number of bids received. That's an entirely different topic and goes beyond the scope of this hearing or my testimony, but we are actively working with BOEM on that issue, and I remain encouraged over the prospect of the addition of renewable energy in the Gulf of Mexico's energy portfolio that it supplies to this country. However, the common thread to all of this is *steady, reliable, multi-year federal leasing policies for all available energy activities*.

Finally I want to briefly mention the current Rice's Whale issue. This too is an example of where federal policy significantly impacts commercial operations in the Gulf of Mexico. This issue is part of litigation and a separate rulemaking involving a host of industry and NGO participants, but I would like to stress that the efficiency of commercial maritime operations, as well as safety of vessels and mariners operating in the Gulf, must at all times be given great consideration. Moreover, the

inclusion and input of those commercial companies operating in the maritime domain must be actively solicited. Port Fourchon operates seven days a week, 24 hours a day. At Port Fourchon, approximately 270 vessels will utilize our Port on any given day. In order for the supply chain to efficiently serve offshore energy activities, these vessels must operate around the clock. The restrictions stated in the Stipulated Stay agreement puts offshore service activities and mariners' safety at risk, as well as efficient operations of commercial maritime activities. The proposed measures, including designating new off-limit areas for vessel activity, imposing speed restrictions, and limiting nighttime and low-visibility transit, will significantly hinder the industry's capacity to conduct offshore energy exploration and production in the Gulf of Mexico. Moreover, while on the one hand I am at a loss as to why the Notice to Lessees (NTL) related only to oil and gas activities, on the other hand, I presume if these measures were to become final, it would impact offshore renewable energy development as well as commercial fishing and tourism.

I appreciate the opportunity to appear before you today, and I would be pleased to respond to any questions the Committee may have. Thank you.

Mr. STAUBER. Thank you for your testimony. I will now introduce our next witness, Ms. Breon Robinson, who is the Southwest Louisiana and Southeast Texas Organizer for Healthy Gulf in New Orleans, Louisiana.

You are recognized for 5 minutes, Ms. Robinson.

STATEMENT OF BREON ROBINSON, ORGANIZER, HEALTHY GULF, LAKE CHARLES, LOUISIANA

Ms. ROBINSON. Thank you all for the opportunity to appear before you today to discuss offshore drilling in the Gulf of Mexico.

While I am here to speak against the leasing and drilling that is looking to potentially be done, I look forward to also discussing the beauty and uniqueness of the Gulf Coast, the coast and its people that are on the verge of extinction due to oil and gas buildout.

My name is Breon Robinson, and I live in Lake Charles, Louisiana, which is part of Calcasieu Parish in the southwest Louisiana region. I am a fourth-generation resident of the North Lake Charles/Goosport community, and currently I am a student at Louisiana State University's Manship School of Communications, majoring in political communication. Aside from that, I have been an active member in my community, working on a variety of issues ranging from civic engagement to environmental justice.

Growing up in the heart of sportsman's paradise, I have grown to love this beautiful place. From the food, the unique scenery, to our Cajun and Creole culture, there will never be any other place like home. Memories from my childhood get me excited, where I often like to imagine the next generation of my bloodline who will inhabit this land. But then those dreams soon get pushed away to our harsh reality with this mass incline of oil and gas buildout that is plaguing my state. From there it makes me think, will there even be a Louisiana in 50 years?

When I was approached with this opportunity, I sought after it with the goal of bringing what Louisiana means to me to this Committee. Coming with me is good, but also the bad; the devastation, but also the resilience, living in a community that is surrounded by huge oil and gas, yet 3 years after Hurricanes Laura, Delta, Winter Storm Uri, a historic 100-year flood,

tornadoes, and many more, we are still fighting to even receive the most basic necessities needed to survive.

For decades, we have been promised by these oil and gas companies that allowing them into our communities would bring a better economy, well-paying jobs, and an overall better way of living. Yet decades later, our community is dealing with homelessness like never before, and those jobs are being thrown to outsiders who will come and go after their assignment is done.

Before industry, our people thrived off the environment through seafood and lumber. We were one with Mother Earth. As I begin to read more into H.R. 5616, it began to frustrate me that a politician who was elected and paid by our tax dollars would be OK without having community input on this bill.

As I have witnessed the buildout, I have also witnessed the devastating decline of life in community from oil and gas. Although this offshore leasing and drilling will not be directly in front of our faces, it will affect us as if it is.

In this bill proposal they are looking to offer four large leases for sale in the Gulf of Mexico. And if this was to pass and happen, these sales will not have to go through NEPA or any environmental reviews.

As I stated earlier, our community thrived in the seafood industry. Now, there is a new generation of fishermen who are looking to still thrive in this same industry, although they are now having to co-exist and share the waters and land with industries who are not looking to do that fairly. Between the devastation that is happening onshore and what is looking to occur offshore, this will be a hard hit for our coast, which, by the way, is one of the natural protections from hurricanes, hurricanes that have now intensified in the last 20 years, thanks to climate change.

I believe Louisiana and the Gulf Coast have the potential to be great away from oil and gas. We brag about being top of the list for things like partying, drinking, and sports, yet we forget we are still very far behind as far as education, housing, and health care. Millions of generations of Louisianans are dying off due to pollution and are migrating to other states, so we are not having people wanting to stay due to these issues.

I love Louisiana just as much as any other person living here, and I will continue to fight to keep Louisiana clean and beautiful for the next generations to come. Thank you.

[The prepared statement of Ms. Robinson follows:]

PREPARED STATEMENT OF BREON ROBINSON

Chair Westerman, Ranking Member Grijalva, and Members of the Committee, thank you for the opportunity to appear before you today to discuss offshore drilling in the Gulf of Mexico. While I am here to speak against the leasing and drilling that is looking to potentially be done, I look forward to also discussing the beauty and uniqueness of the Gulf Coast—a coast and its people, that are also on the verge of extinction due to oil and gas buildout.

My name is Breon Robinson, and I live in Lake Charles, LA, which is part of Calcasieu Parish and the Southwest Louisiana region. I am a fourth-generation resident of the North Lake Charles/Goosport community. Currently, I am a student at Louisiana State University's Manship School of Communications, majoring in Political Communication. Aside from that, I have been an active member in my community, working on a variety of issues ranging from civic engagement to environmental justice.

Growing up in the heart of Sportsman’s Paradise, I have grown to love this beautiful place. From the food, the unique scenery, to our Cajun/Creole culture, there will never be any place like home. Memories from my childhood get me excited, where I often like to imagine the next generation of my bloodline who will inhabit this land. But then, those dreams soon get pushed away to our harsh reality with this mass incline of oil and gas buildout that is plaguing my state. From there it makes me think, will there even be a Louisiana in the next 50 years?

When I was approached with this opportunity, I sought after it with the goal of bringing what Louisiana means to me to this House Committee. Coming with me is good, but also the bad. The devastation, but also the resilience. Living in a community that is surrounded by huge oil and gas buildout, yet 3 years after Hurricanes Laura and Delta, Winter Storm Uri, a historic 100-year flood, tornadoes and more, we are still fighting to receive the most basic necessities needed to survive. For decades, we have been promised by these oil and gas companies that allowing them into our communities would bring a “better” economy, “well-paying jobs” and just an overall better way of living. Yet, decades later, our community is dealing with homelessness like never before, and those jobs are being thrown to outsiders who will come and go after their assignment is done. Before industry, our community thrived off the environment through seafood and lumber. We were one with Mother Earth.

As I began to read more into the Bridge Protection Act of 2023, it began to frustrate me that a politician who is elected and paid by us, would be ok without having community input on this bill. As I have witnessed the buildout, I have also witnessed the devastating decline of life and community from oil and gas. Although this offshore leasing and drilling will not be directly in our faces, it will affect us as if it is. In this bill proposal, they are looking to offer four large leases for sale in the Gulf of Mexico, and if this was to pass and happen, these sales would not have to go through NEPA or any environmental reviews.

As I stated earlier, our community thrived in the seafood industry. Now, there is a new generation of fishermen who are still looking to thrive in the seafood industry, although they are now having to co-exist and share the water and land with industries who are not looking to do that fairly.

Between the devastation that is happening onshore and what is looking to occur offshore, this will be a hard hit for our coast, which by the way is one of our natural protections from hurricanes—hurricanes that have now intensified in the last 20 years thanks to climate change.

I believe Louisiana and the Gulf Coast have the potential to be great away from oil and gas. We brag about being top of the list for partying, drinking and sports, yet we forget we are still dragging at the bottom of education, housing and healthcare. If we continue to put profit over people, New Orleans might become Atlantis by 2050. Or we will continue to see a mass decline of generations of Louisianans dying off due to air pollution and/or migrating off to other states. I love Louisiana just as much as any other person living here and I will continue to fight to keep Louisiana clean and beautiful for the next generations to come.

Mr. STAUBER. Thank you very much for your testimony. I want to thank all the witnesses for being here today and their testimony.

The Chair will now recognize Members for 5 minutes of questions, and I will now recognize myself for 5 minutes.

Mr. Tarpley, Ms. Robinson suggested that the oil and gas sector has not significantly improved the economy or the quality of life in the Gulf region, with jobs often going to non-local workers who leave upon completion of their assignments. Could you provide an overview of the current workforce landscape in Louisiana and the broader Gulf region?

And are the jobs in the oil and gas sector comparatively well-paying?

Mr. TARPLEY. Thank you for that question. Going through the current employment in the Gulf for the Gulf states, I think, is important.

Right now, Texas is 154,000, Louisiana is 104,000, Alabama is 29,000, and Mississippi is 22,000. And then the rest of the United

States all added up together is 57,000. These are very well-paid jobs. Depending on skill level, it could be anywhere between a \$50,000-a-year job up to \$150,000 a year. The entry level jobs, many of them, don't require a college education. These jobs open up the middle class to many folks in Texas and Louisiana and these other states. Also, industry-wide, 28 percent of those jobs are filled by minorities and, in fact, 18 percent are filled by Hispanics.

So, I would disagree with the perception that this has not helped these economies. I think this is a huge part of the economies of these states.

Mr. STAUBER. Mr. Chiasson, how does the oil and gas industry in the Gulf of Mexico leverage lease sales to strengthen the local economy and enhance the quality of life?

Mr. CHIASSON. Thank you for that question. Everything that happens in terms of, even prior to leasing, from seismic work and into leasing and then exploration and production and all of those things have an impact on what I do every day in my port. And it has a direct impact on the economy of my community.

And what we need to understand is that all of that energy that is provided to this country is beneficial to the country. But at the same time, the state of Louisiana has a constitutional amendment that every dollar that comes back to the state from GOMESA is spent on protection and restoration of our communities in terms of levees, and marsh restoration, and the like.

Mr. STAUBER. Do you have a comparison between the average paycheck at Port Fourchon and elsewhere in the state?

Mr. CHIASSON. The average household income of the state of Louisiana is about \$58,000. And the average in our area and off-shore workers is about \$70,000.

Mr. STAUBER. Could you elaborate on how Port Fourchon navigates its operational demands while ensuring the well-being of the surrounding communities?

Mr. CHIASSON. Yes. Our whole mindset in Port Fourchon is about holistic resiliency. Everything we do when it comes to providing the services for the oil and gas industry, at the same time we are looking at how resilient can we be in our communities, what kind of infrastructure do we need to build for that resiliency, and every speck of sand that we dredge, material we dredge in Port Fourchon for our slip development or our channels, we utilize beneficially either to create marsh in the surrounding area for protection, as well as for industrial development.

[Chart.]

Mr. STAUBER. The chart behind me illustrates the timeline for oil and gas development in the deepwater Gulf of Mexico, along with the associated costs for oil and gas operator. As you can see, between the time an operator begins pre-leasing evaluation, obtains a lease, and performs exploration activity it can take a decade or more before first production. Over this decade, upwards of \$1 billion can be spent. Is that accurate?

Mr. CHIASSON. Absolutely.

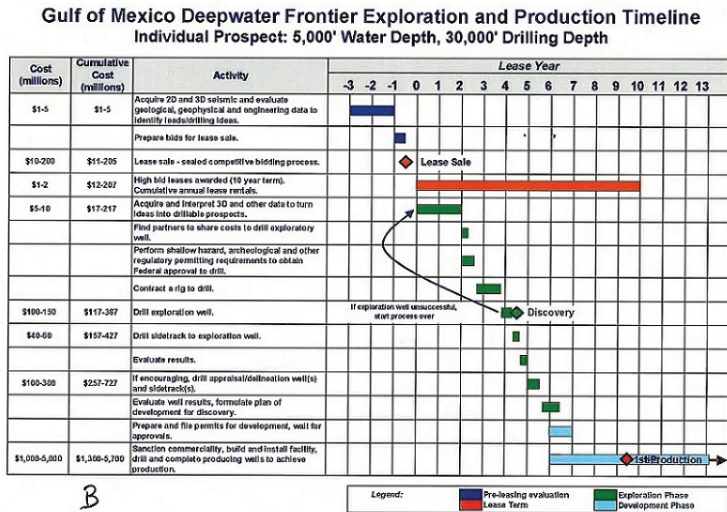
Mr. STAUBER. So, I would just ask that the impact, the incredible impact these investments have in your community, can you expand on the long-term effects the Biden administration's failure to carry out leasing will have for years to come?

Mr. CHASSON. I think it is interesting that you ask about long-term effects because I think we are seeing effects immediately, right now, based on the lack of leasing and not the delivery of a 5-year plan that we can see today. It has an impact on all the products, goods, and services. Higher prices for everything.

So, what we are seeing today, if we don't continue to have a 5-year plan and have leases, this current rate of products, goods, and services will continue for the long term.

Mr. STAUBER. Thank you, and I ask unanimous consent that this chart is entered into the record.

[The information follows:]



Mr. STAUBER. Dr. Upton, in your opening statement and written testimony you discussed the dynamics of supply-reducing policies and subsequent economic impacts. Can you quickly expand on the direct correlation between diminishing domestic supply of oil and gas and the inevitable escalation of consumer costs?

Dr. UPTON. Yes, sir. So, economic theory is pretty clear on this, is that, you know, there are different policies that might be aimed at impacting prices for consumers of energy. And one of those policies would be a supply-reducing policy.

An example of that would be discontinuing offshore leasing, would be banning some kind of technology like hydraulic fracturing. And what that is going to do is it is going to reduce the supply that goes to the market. And in response to that, what you will get is you will get less product to the market and you will get a higher price for consumers.

So, the economic theory definitely suggests that these supply-reducing policies increases prices for consumers.

Mr. STAUBER. Thank you. My time is up, and the next person to question is Representative Levin from California.

You are up for 5 minutes.

Mr. LEVIN. Well, thank you very much, Chairman Stauber.

I have long advocated for protecting the Pacific Coast from offshore drilling. I am fortunate to represent one of the most beautiful congressional districts in the United States. We have incredible resources, but none is more important than 50 miles of coastline. Fishing, tourism, and recreation in my district and, frankly, all along California's coastline, support jobs and economic activity.

And we have seen the risks posed by offshore drilling firsthand. More than 4 million gallons of oil have been released in the Pacific Ocean as a result of the massive 1969 Santa Barbara spill, and also the Refugio Beach spill of 2015, the Huntington Beach spill of 2021, and other leaks from oil rig and pipeline activity affecting more than 935 square miles of ocean. And I am grateful that the current Administration indicated they would not include any new leasing off the California coast in the next 5-year plan.

But just because California isn't in this 5-year plan doesn't mean a future administration couldn't include it in the future. So, to ensure that permanent protection for my constituents, I introduced something called the Southern California Coast and Ocean Protection Act, which would prevent the Department of the Interior from ever issuing oil and gas leases off our coast. This is a type of legislation I think we should be considering today.

We should be looking at protecting our coasts, not pushing policies that have the potential to do further damage.

With that, I will turn to my questions. Ms. Robinson, I will begin with you.

My advocacy for protecting our coasts from new offshore drilling stems from two simple truths: first, the climate crisis is a national and global imperative; and second, every community deserves access to a healthy and clean environment. It seems like some of my friends across the aisle seem to ignore the climate crisis and the many negative environmental impacts that offshore oil drilling has on our communities. Can you share for me how you have seen communities suffer from both indirect and direct consequences of offshore drilling?

Ms. ROBINSON. I live maybe 10 minutes from Westlake. And in Westlake is a Black, free people of color-founded community called Mossville. Mossville had probably over 1,000 people that were living there until 30, 40 years ago, when industry decided to take that land from those people and build up their oil and gas industries there. So, I will definitely say that is one big issue and one big thing I have been able to witness in my 25 years of life.

I will definitely say, too, living through, I guess you would say, five or six natural disasters in the last 3 years, that is definitely another thing that is something I have witnessed that has happened due to this buildout, due to what has happened with climate change.

Mr. LEVIN. I will tell you that in no way is this partisan in my district. I have scores of community meetings, and we have done over 100 town halls. In many of them I ask, "Is there anybody here that actually wants to see drilling off the coast of Southern California?" And I think one time one hand went up, and it was somebody who worked for one of the oil companies. So, it is not just one party or another.

Mr. Tarpley, let me ask you a question. If the BRIDGE Production Act from my good friend, Mr. Graves, were to become law, it seems to me it would short circuit NEPA and lock us into decades of oil and gas production that I don't think we need.

And I also want to clear something up that I think is important. I have sometimes heard that new oil and gas leases will impact today's gas prices, and, in fact, you implied that. And there is data that simply contradicts that. The non-partisan Taxpayers for Common Sense, for example, came out with a report recently that said gas prices depend on many factors, predominantly the global price of oil and consumer demand, not Federal leasing policies, specifically not Federal leasing policies.

I would posit that clean energy is cheap energy, and until we transition to a clean energy economy, we are going to be at the whims of this global oil market.

That said, I am concerned about this bill's potential elimination of the Secretary's discretion to ensure a fair market value for American taxpayers. So, Mr. Tarpley, I am just curious, do you believe Americans should receive a fair market value for any off-shore oil and gas leasing?

Mr. TARPLEY. Well, to the first part of your question—

Mr. LEVIN. It is a yes or no. It is a simple question.

Mr. TARPLEY. Yes.

Mr. LEVIN. Yes, they should. So, we agree. Ensuring fair market value seems like the bare minimum that we ought to have for taxpayers. This bill waives that requirement. It takes away all Secretarial discretion, and it is imposing oil and gas leasing with blunt force.

It also mandates outdated, arbitrarily low royalty rates, no fees on potent methane pollution, and that just doesn't make sense. I don't think it makes sense for taxpayers, I don't think it makes sense for the climate.

And I will yield back.

Mr. STAUBER. Thank you very much.

The next Representative, Mike Collins from Georgia, you are up for 5 minutes.

Mr. COLLINS. Thank you, Mr. Chairman.

Mr. Tarpley, I am a little bit of a slow writer, so I wanted to catch up on some of your opening statement. You said demand will increase. Could you go back over that, and how much it will increase?

Mr. TARPLEY. Sure, I am happy to do that. The Energy Information Administration predicts that the worldwide demand for all forms of energy will increase by 50 percent by 2050. And included in my written testimony is that graph, and it shows all forms of energy demand is increasing, including oil and gas, and including renewables.

Mr. COLLINS. All right. I appreciate that. You also said natural gas is at a 25-year low. Is that what you were reporting?

That is OK. I may have wrote that down wrong. I just like to take a few notes.

But what I wanted to get at was you also talked about the BRIDGE Production Act and how it will ensure regulatory road-blocks don't interfere with the access to the oil and gas reserves in

the Gulf. And I am a small businessman, as well, and I am very familiar, being in the trucking industry, of how excessive government regulations can stifle the economic growth.

So, my question is, what are some of the regulatory roadblocks now that you are facing?

Mr. TARPLEY. Well, I think in regards to the BRIDGE Act, the biggest concern is uncertainty. It is very hard to bring investment into the offshore industry. As the graph up there showed, it is a 10-year buildout for a lot of these projects. And when you have continued bureaucratic delays, and schedules get pushed back, lease sales get canceled, it is very difficult for companies to find the capital to invest in these kind of projects. They are very capital intensive, and when there is this much regulatory uncertainty, that makes it even more difficult.

It also makes it very difficult on the workforce, because the workforce has to look at their prospects for employment. And when there isn't even a 5-year lease plan enacted, they have to ask themselves, OK, is this a long-term career path for me? So, it discourages people from joining the industry.

So, it really hits the industry in those two ways, both in the workforce and in investment.

Mr. COLLINS. Right. Mr. Chiasson, I know you had talked extensively about that in your opening remarks. I didn't know if you wanted to add on to that a little bit.

Mr. CHIASSON. Yes, sir. Thank you. I think, just to add to what he said, we are competing on a global scale for investment in our country. And when we have a regulatory framework that is uncertain, then it is hard for a multi-national corporation to make decisions to invest in the United States when it comes to producing energy.

Mr. COLLINS. All right. Thank you.

Mr. Chairman, I yield back. That is all I had.

Mr. STAUBER. Thank you very much.

Representative Dingell from Michigan, you are up for 5 minutes.

Mrs. DINGELL. Thanks, Mr. Chairman.

Many of you know that my husband was the person that wrote the original NEPA Act, and it was really important to him. And I also know that it is 50 years later, and we need to update it. It continues to be one of our nation's strongest tools in ensuring communities across the country have meaningful input on major Federal actions. But NEPA's basic policy is to ensure that all branches of government give proper consideration to the impacts a project will have on the environment before Federal action is taken.

And as we look at the worsening climate crisis, we have to make sure that the voices of the most impacted communities are heard. And I do have some concerns about some of the bills we are considering today that weaken our nation's long-standing environmental laws like NEPA. And how do you protect the communities, but make sure that we are doing what we need to do? And I have continuously said to my colleagues I want to work with them.

But unfortunately, H.R. 5616 entirely waives NEPA for four offshore oil and gas lease sales, and does not allow for any community input. NEPA is the strongest tool our communities have in protecting themselves and their environment.

And on top of this, the bill also bars the right to judicial relief if the Federal Government gets it wrong. And it is vital that affected communities have access to the courts for legal violations. So, barring judicial review completely erodes the right for industries' benefits.

I want to work with my colleagues. I know we need to, but we have to ensure that it is done in a way that protects our climate, our environment, and our nation's frontline communities.

So, Ms. Robinson, why is the ability for your community to provide input and the right to judicial review so vital to your community?

Ms. ROBINSON. It is vital because it opens the eyes to you guys, those who are representing us here, to see is it right for these people to continue to go through this, or isn't.

Mrs. DINGELL. Thank you.

Dr. Upton, do you think development should consider and balance environmental impacts and comply with environmental laws like the Endangered Species Act?

Dr. UPTON. Yes, ma'am. I think, with all governmental policies, there is a balance of costs and benefits. And one of those would be oil and gas production. And, absolutely, balancing costs and benefits would be a wise thing to do as a policy-maker.

Mrs. DINGELL. Unfortunately, I don't see balance in this bill.

And Ms. Robinson, before I end, is there anything else you want to add?

Ms. ROBINSON. One thing I would love to add is for those who are for this bill, I want you guys to come to Lake Charles, come to Mossville, come to Saint James and Saint John Parishes, come to southern Louisiana, and see what is going on.

And then, from there, maybe it will make you think, OK, let's not. Or maybe it will make you think let's try to rewrite this to where it does give community input as a vital source, and it does allow those community members who feel like maybe this is not what is supposed to be happening, give them that legal aid to be able to push forward, to press legal things against you guys.

Mrs. DINGELL. Thank you for those words.

I really do want to work with my colleagues because we have to have some change. But I don't think corporations should just be able to do what they want. I think it needs to be a balanced system.

With that, I yield back.

Mr. STAUBER. Thank you very much. Next up, Representative Fulcher.

Mr. FULCHER. Thank you, Mr. Chairman, and thank you to Congressmen Duncan and Graves for bringing forward the legislation.

I want to just make a brief statement, then I have a question for Mr. Upton here. My home state of Idaho, where once again the fuel prices have taken an uptick, and when I am out and about doing interaction with my constituents, that is right at the top of the list, it seems like, every time. Our average price, I think, in Idaho as of Monday was \$3.91. And our friends in California are probably able to drive all the way to Idaho and gas up and go back and still

be ahead, though, given the prices they face. But still, for us, that is high.

And the national average as of Monday was \$3.88, and that is a 25 percent increase from the start of the year. And that just ripples through everything. Everything is impacted by that. And I think that the nationwide average, if you go back to January 2021, \$2.39, that is up 65 percent. It just impacts everybody's budget. So, we are struggling with that, and we are not unique struggling with that.

Dr. Upton, I did get a chance to go through your opening statement. But just from your perspective, when you look at that landscape, not just in Idaho but across the country, and then you consider the potential of offshore sales and the leasing scenario there, from your perspective how might offshore sales impact the availability of crude oil and contribute to the stability of prices over the long haul?

Dr. UPTON. Yes, thanks for the question. There are several policies that you could consider that would really impact prices for consumers and, in particular, to bring down prices for your consumers.

The first would be expanding energy production in the United States. So, of course, one way to do that is through oil and gas, but other ways is through renewable energy. So, shifting the supply out, if you will, expanding energy access, that is going to put downward pressure on prices.

The other policy tool that you have, and it is less germane to the discussion today, would be policies to reduce demand for energy. Think of efficiency improvements and those kind of things. And, again, that is going to reduce the demand, which will put downward pressure on prices. I am not advocating that any individual policy would be welfare improving, but these are the concepts.

And then the third policy is really consistency. Within economics there is a common theme that people don't like uncertainty. We don't like uncertainty in our personal lives, companies don't like uncertainty, and uncertainty is particularly important when you are making large, upfront investments that are going to pay off over a long-time period.

And most of that uncertainty, candidly, is policymakers. You are not going to be able to control what the cost of products are, you are not going to be able to control the probability that a project is successful, or the price when that product comes to market. But the one thing that you can control is regulatory and policy uncertainty.

So, to the extent that you can make regulation and policy certain moving forward, that doesn't mean to get rid of all environmental protections or not have a process, but to have consistency and certainty in that process that will also benefit your consumers in the long run in terms of both the volatility of prices as well as the level of prices that they see.

Mr. FULCHER. OK. So, of those three options that you put forth, Congressman Graves' bill would at least be under the category of the very first option you said, which was the expanding and I would argue just reclaiming or holding stable the supply within offshore sales leases.

To that end, I want to go back to that particular issue. Under that expanding category of offshore sales, how could that enhance our energy resilience?

Can that enhance our energy resilience and help states like mine in Idaho to maintain a consistent pricing schedule?

Dr. UPTON. Yes, absolutely. So, you think about the Russian invasion of Ukraine, and the response to that that we had, and it is kind of incredible to see after that price run-up how quickly markets came back into balance. And the reason markets were able to come back in balance and bring those prices down so quickly is because of economic actors' ability to respond to that price.

So, the more options that we have within the economy in order to produce energy, that is going to give more flexibility, and it is going to, in the long run, impact our energy security, impact the prices we pay as consumers. So, it is absolutely tied together.

Mr. FULCHER. Thank you for that.

Mr. Chairman, I have run out of time. I just want to close by stating, in our state the economy has been relatively strong, and that is a good thing. There is economic growth. We have actually seen an uptick in the demand for crude, but the efficiency has also increased, as well.

But I appreciate your comments.

Mr. Chairman, thank you.

I yield back.

Mr. STAUBER. Representative Kamlager-Dove, you are up for 5 minutes.

Ms. KAMLAGER-DOVE. Thank you, Mr. Chair. And for the record, as Ranking Member of this Subcommittee, I have to oppose these two bills. I forgot to say that before.

I would also ask unanimous consent to enter into the record two articles: a September 25, 2023 *New York Times* article, "Monster Fracks are Getting Far Bigger and Far Thirstier"; and the March 10, 2023 *Texas Tribune* article, "Landowners fear injection of fracking waste threatens West Texas aquifers."

Mr. STAUBER. Without objection.

[The information follows:]

'Monster Fracks' Are Getting Far Bigger. And Far Thirstier.

Giant new oil and gas wells that require astonishing volumes of water to fracture bedrock are threatening America's fragile aquifers.

New York Times, September 25, 2023, Produced by Claire O'Neill, Matt McCann and Umi Syam

<https://www.nytimes.com/interactive/2023/09/25/climate/fracking-oil-gas-wells-water.html>

Along a parched stretch of La Salle County, Texas, workers last year dug some 700 feet deep into the ground, seeking freshwater. Millions of gallons of it.

The water wouldn't supply homes or irrigate farms. It was being used by the petroleum giant BP to frack for fossil fuels. The water would be mixed with sand and toxic chemicals and pumped right back underground—forcing oil and gas from the bedrock.

It was a reminder that to strike oil in America, you need water. Plenty of it.

Today, the insatiable search for oil and gas has become the latest threat to the country's endangered aquifers, a critical national resource that is already being drained at alarming rates by industrial farming and cities in search of drinking water.

The amount of water consumed by the oil industry, revealed in a New York Times investigation, has soared to record levels. Fracking wells have increased their water usage sevenfold since 2011 as operators have adopted new techniques to first drill downward and then horizontally for thousands of feet. The process extracts more fossil fuels but requires enormous amounts of water.

Together, oil and gas operators reported using about 1.5 trillion gallons of water since 2011, much of it from aquifers, the Times found. Fracking a single oil or gas well can now use as much as 40 million gallons of water or more.

These mega fracking projects, called "monster fracks" by researchers, have become the industry norm. They barely existed a decade ago. Now they account for almost two out of every three fracking wells in Texas, the Times analysis found.

"They're the newcomers, a new sector that burst onto the scene and is heavily reliant on the aquifers," said Peter Knappett, an associate professor in hydrogeology at Texas A&M University, referring to fracking companies. "And they could be pumping for several decades from aquifers that are already over-exploited and already experiencing long-term declines."

Fracking, which is shorthand for hydraulic fracturing, has transformed the global energy landscape, turning America into the world's largest oil and gas producer, surpassing Saudi Arabia. Supporters say it has strengthened America's national security and created valuable jobs.

But fracking has long been controversial. The process of cracking the bedrock by injecting chemical-laced water into the ground can lead to spills and leaks and can affect the local geology, sometimes contributing to earthquakes. Critics of fracking say it is an irony that so much water is being diverted to produce fossil fuels, given that the burning of fossil fuels is causing climate change, further straining fresh-water resources.

The Times documented the surging water usage by examining an industry database in which energy companies report the chemicals they pump into the ground while fracking. But the database also includes details on their water usage, revealing the dramatic growth.

The problem is particularly acute in Texas, where the state's groundwater supply is expected to drop one-third by 2070. As the planet warms, scientists have predicted that Texas will face higher temperatures and more frequent and intense droughts, along with a decline in groundwater recharge. Some experts have warned that water issues could even constrain oil and gas production.

In the western portion of the Eagle Ford, one of the state's major oil-producing regions, aquifer levels have fallen by up to 58 feet a year, a 2020 study by researchers at the University of Texas at Austin found, and fracking's water demands could result in further regional declines of up to 26 feet.

Since 2011, BP has dug at least 137 groundwater wells in Texas for its oil and gas operations and reported using 9.1 billion gallons of water nationally during the past decade. EOG, one of the country's largest frackers, consumed more than 73 billion gallons of water for fracking at the same time. Apache Corporation, Southwestern Energy, Chevron, Orintiv and other major operators also have intensified water usage, the Times analysis found.

Oil companies require no permits to drill their own groundwater wells and there is no consistent requirement that groundwater used for fracking be reported or monitored. As drought has gripped Texas and the surrounding region, many communities have instituted water restrictions for residents even as fracking has been allowed to continue unabated.

Pockets of public resistance are emerging. In New Mexico, a coalition of tribes and environmental groups is suing the state, saying that fracking companies are using up precious water resources and that the state has failed to protect the interests of residents. In Colorado, residents are fighting a proposed fracking project they fear would not just use up local freshwater resources, but risk contaminating a reservoir their community depends on.

Holly Hopkins, an executive at the American Petroleum Institute, an industry group, said the industry was “focused on meeting the growing demand for affordable, reliable energy while minimizing impacts on the environment.” Its members, she said, were “continuing to develop innovative methods to reuse and recycle” water used for fracking.

In a statement, Apache said 80 percent of the water it used for fracking was either non-fresh or recycled from previous fracks. BP said it was “executing several pilot projects to recycle water” that would “minimize freshwater usage.”

Chevron said that water was vital to its operations and that it aimed to use water efficiently and responsibly, saying that it used brackish or recycled water for fracking. Southwestern and Orintiv did not respond to requests for comment.

In La Salle County—where workers were drilling the water well last year that would supply BP—the local aquifers have already been strained by decades of pumping to feed crops and cattle. The local groundwater district, Wintergarden, estimates that fracking’s water needs could surpass those of irrigation by 2030 (though the oil industry’s notorious boom-and-bust cycles could change that).

Despite the new demand, Wintergarden has little say over the use of water for fracking.

According to its rules, when “moderate” or “severe” droughts occur, people should stop washing their cars and restaurants should refrain from serving glasses of water unless a customer asks. But only during “exceptional” droughts do the rules extend to fracking, and even then they merely discourage it.

Similarly in Laredo, a city on the Mexican border that recently imposed water restrictions, residents may water their lawns only three days a week, and only at night. Laredo, which in recent years has become fracking territory, is facing an impending water shortage: By 2040, it’s expected to exhaust the available supply of municipal water from the Río Grande allocated to the city every year. Still, even during severe drought, fracking is excluded from city or state restrictions.

“This is Texas. If you’re using water for oil and gas, it’s considered exempt,” said Ronald T. Green, a hydrologist who advises Wintergarden. So when fracking plans collide with drought, Dr. Green said, “you just have to hope that if they’re a good, community-oriented company, they might decide not to frack that well till next year.”

It’s happening, of course, because there is money to be made in oil. And for those with access to water, it can be easy money.

Bruce Frasier grows onions in Dimmit, one of the three counties that make up the Wintergarden water district. But he also sells groundwater to a local fracking company for 50 cents a barrel. Given the growing size of fracks, “If you’ve got the water to sell, you’re making a fortune,” Mr. Frasier said.

Wintergarden. Evergreen. Big Springs.

The place names that dot Texas’s parched plains hark back to a time more than a century ago when groundwater was plentiful.

“Back in those days, you could just dig, and the water would flow,” said Bill Martin, a rancher and farmer who heads the Wintergarden Groundwater Conservation District, as he walked his land during a recent heat wave, his boots kicking up dust under a scorching sun.

But that water, sometimes called fossil water because scientists estimate that it pooled underground as long as 30,000 years ago, started to dry up as farms irrigated vast tracts of land. Farms that couldn’t afford to drill ever deeper started to plant less or shut down.

Today, much of America’s oil and gas comes from parched land like this. And now, fracking companies are the ones scrambling for water. A 2016 Ceres report found that nearly 60 percent of the 110,000 wells fracked between 2011 and 2016 were in regions with high or extremely high water stress, including basins in Texas, Colorado, Oklahoma, and California.

This is partly because of the increasing complexity and size of fracked wells. For example one technique, horizontal drilling, involves wells that stretch thousands of feet sideways, not just downward. In the Permian Basin, average well length grew to more than 10,000 feet in the first nine months of 2022, compared with less than 4,000 feet in 2010, federal data shows.

It is because water is so fundamental to fracking that the longer wells typically require far more water.

“As the easier-to-extract areas are tapped to their full potential, you need to use more and more desperate measures,” said A.J. Kondash, an environmental scientist at RTI International, a nonprofit research organization, who has studied fracking’s water use.

The problem is actually two-fold. Fracking companies are pulling more water out of the ground, and then, after the fracking process, they must treat or dispose of millions of gallons of contaminated water, removing it from the natural water cycle.

Some companies are making strides in reusing that fracking wastewater to drill for more oil and gas, but it’s a small percentage. In the sprawling Permian Basin in Texas, the largest oil field in the country, just 15 percent of water used for fracking is recycled water, according to state estimates.

The Times based its water-use analysis on data from FracFocus, a registry of chemicals used in fracking that is operated by two national associations of state agencies, the Groundwater Protection Council and the Interstate Oil and Gas Compact Commission. In 27 states, companies report the data to FracFocus.

That data revealed surging water use even though the numbers, which are self-reported by industry, are sometimes incomplete.

Dan Yates, executive director of the Groundwater Protection Council, pointed out that the two agencies that run FracFocus have no regulatory authority. The onus is on individual states, he said, to make sure operators disclose timely and accurate data.

Rystad Energy, an energy research company, estimated that about 6 to 9 percent of fracked wells don’t get reported to FracFocus.

Of course, water use by energy industries isn’t limited to fracking. Water is important in oil refining and the cooling of power plants, and also plays a role in the mining of lithium and other minerals essential in the transition to cleaner energy.

Oil companies say the industry uses substantial amounts of brackish water not suitable for drinking, though there is little systematic fracking of how much. They also say that drilling fewer, longer wells reduces environmental disruption at ground level.

Industry groups also stress that oil and gas production uses a small fraction of the water required by other activities, like irrigated agriculture.

But researchers at Colorado State University who compared water used for fracking in oil- and gas-producing states between 2011 and 2020 found that, under arid conditions, frackers could use more water than irrigation. In La Salle for instance, under arid conditions, fracking used more water than irrigation and local homes and businesses combined. Fracking activity, they found, responded to oil prices, and seemed largely unresponsive to droughts or water restrictions.

Compounding the problem, about a quarter of Texas operates under rules that let landowners pump as much water on their property as they like, regardless of consequences to neighbors.

“In Texas, if you own the surface, you own everything to the center of the earth,” said Mr. Martin of the Wintergarden water district.

The letter from an oil company arrived for Mario Atencio’s family in 2013, promising riches in exchange for a lease to drill near their home in northwestern New Mexico.

Then, Enduring Resources, the Denver-based oil and gas company that ultimately acquired the lease, started to drill.

Workers dug a water well near the area where his family raises livestock, tapping into the groundwater that had long sustained the grazing land the Atencios use to raise goats and sheep. “They came in and they put in water pipelines. Huge pools filled with water,” Mr. Atencio said. “We thought, ‘Is this our water? How much water are they tapping?’”

Mr. Atencio, a leader in the local Navajo Nation Chapter, is now part of the coalition of tribes and environmental organizations that in May sued New Mexico alleging that the state had failed to protect its residents from the harms of fracking.

A substantial portion of their complaint focuses on the strain that oil and gas development places on freshwater in New Mexico, one of the nation's most water-stressed states.

"We're facing some of the worst years of drought in the last 1,200 years," said Julia Bernal of the Pueblo Action Alliance, an Indigenous organization that is a party to the lawsuit. Yet energy companies were building water pipelines to serve fracking sites, she said. "There are a lot of families that live in the region that don't have access to running water."

New Mexico said it "vigorously disagrees" with the lawsuit's allegations and was proud of its work regulating oil and gas. Enduring Resources didn't respond to requests for comment.

Across the country, investments like these in water for oil and gas—wells, pipelines and even water distribution companies—are extensive and spreading.

In Colorado, the energy exploration companies Anadarko and Noble Energy have invested tens of millions of dollars in freshwater pipelines and have created companies to sell and distribute water for fracking. In 2020, Chevron acquired Noble Energy, together with its water business, in a transaction worth more than \$13 billion.

When Kevin Chan moved to Colorado from California last year, to a neighborhood on the banks of the Aurora Reservoir, he said he was surprised to learn that more than 150 horizontal fracked wells were planned in the region around the reservoir. The wells would potentially require a total of 3.9 billion gallons of freshwater from a local water district and other sources, according to the energy company behind the project, Denver-based Civitas.

Concerned about the water use and risk of oil spills, he formed a community group, Save the Aurora Reservoir, to oppose the plan. In moving to Colorado, "I was drawn to the proximity to the mountains, being able to go snowboarding," Mr. Chan said. "I didn't expect to go up against a multibillion dollar industry."

Rich Coolidge, a spokesman for Civitas, said several thousand feet of rock separated the Aurora reservoir from oil and gas production. He said the company was working with local water providers that sell surplus supply, but declined to give details.

Some local governments are starting to take action. In 2020, New Mexico halted sales of water supplies to oil and gas companies fracking on state land. This year, Colorado passed a bill requiring frackers to greatly increase their reuse of fracking wastewater. In May, Texas passed a bill designed to find more uses for fracking wastewater.

But cleaning up that wastewater, which contains hazardous chemicals, is costly and energy-intensive. Even if frackers were able to re-use their treated wastewater for all their production, the industry estimates it would still generate hundreds of millions of gallons of excess every day. And the diversion of fracking wastewater to other uses, whether for agriculture or to mist roadways in order to keep down the dust, remains contentious because of safety concerns.

So, in states like Texas, it remains cheaper to use groundwater.

Mr. Martin, the rancher and farmer who heads the Wintergarden water district, doesn't fault energy companies for that. He himself irrigates his cantaloupe fields using groundwater.

Still, as he contemplated a future of ever-dwindling aquifers, he struck a somber tone. "If the water goes away, the whole community goes away," he said.

Landowners fear injection of fracking waste threatens West Texas aquifers

Operators pump a sea of “produced water” underground for disposal. Intensifying tremors raise fears that the deep toxic waste pits could intermingle with water used for farming and drinking.

Texas Tribune, March 10, 2023 by Dylan Baddour, Inside Climate News, and Pu Ying Huang, Texas Tribune

<https://www.texastribune.org/2023/03/10/texas-permian-basin-fracking-wastewater-pollution-oil/>

A fracked well in West Texas can produce five times as much wastewater as oil. Every day, fleets of tanker trucks haul hundreds of millions of gallons of this toxic brine to loosely regulated disposal facilities that line the rural highways.

There, companies inject it deep underground into rock formations, where they hope it will stay forever.

The situation troubles David Shifflett, a farmer who irrigates his crops and draws his drinking water from the ground, which has started to heave and bulge in recent years. One tremor left a broad hump and a half-mile crevice in his land, not far from his water wells, raising fears among him and other landowners that underground storage spaces could fracture and leak their toxic contents into aquifers and wells.

“They’re pumping so much pressure in there,” said Shifflett, a towering, gray-haired man from a long line of farmers. “The oil companies are going to ruin our water.”

The fracking boom kicked off here more than a decade ago. The steady crescendo of earthquakes began a few years after. At first, Shifflett said, they sounded like shotguns in a distant field. Then they grew: a magnitude 3.5 quake in 2016 and a magnitude 5.0 quake in 2020. One of the quakes that hit late last year, a magnitude 5.4, felt like a truck hit the house.

Decades of research have linked injection wells to earthquakes, but much less is known about how the combination can affect groundwater. Although injection wells are intended to hold their contents forever and protect aquifers from contamination, oozing wells and bubbling lakes of gassy brine in a nearby part of West Texas show that things underground don’t always go according to plan.

Shifflett, 74, has nothing against oil. He votes Republican, hangs a cross above his door and leans an old rifle on his living room wall. Oil companies are doing their jobs, he said. For this situation, he blames the government—specifically, Texas’ oil field regulator, the Railroad Commission, which issues permits for fracking wastewater injection wells.

“If they ruin the water out here, there won’t be anyone left. This will be a desert with no inhabitants,” he said from his dining room table. “It’s only a matter of time.”

Injection disposal of toxic waste is a common practice for refineries and chemical plants. What sets the Permian Basin apart is the volume. As oil production surged here in recent years higher than in any other U.S. oil field, the amount of wastewater rose in step.

Every barrel of Permian oil comes up with several barrels of mucky fluid called “produced water”—mostly hypersalty water that has stewed for millions of years underground with hydrocarbons, mixed with the proprietary chemical cocktails injected by drillers to fracture shale. Millions of barrels surface every day. Some of the fluid is reused in fracking, but most is injected underground for disposal.

According to one 2020 study by the Bureau of Economic Geology at the University of Texas at Austin, the amount of produced water from the Permian Basin was over six times greater than that from other major U.S. shale plays combined. Such massive amounts of wastewater, the study said, “raise questions about whether subsurface disposal capacity can accommodate these volumes.”

In Reeves County, Texas Railroad Commission records show 377 injection well permits issued within the last five years, among more than 1,000 dating to the 1960s. One permit from this January, for example, allows an operator to inject up 35,000 barrels, or 1.5 million gallons, per day at up to 1,950 pounds per square inch of pressure.

Underground pollution

Although this landscape is dry, a veritable sea lies beneath, contained by hundreds of feet of sediments and caverns. The water is too salty to drink without treatment, but Shifflett said it gives a unique sweetness to the pecans and peppers he has grown alongside hay, wheat and sunflowers on his 2,000 acres.

He and other landowners have tried for years to convince the Texas Railroad Commission that the boom in wastewater injection threatens their aquifers. For now, there's no definitive proof that it's true.

"A link between injection wells and induced seismicity is well established. The link between injection wells and groundwater qualities is lesser known," said Zacariah Hildenbrand, a research professor at the University of Texas at El Paso who has studied groundwater in fracking areas of Texas. "It's an absolutely phenomenal research question."

Last month, at the Permian Basin Water in Energy Conference in Midland, environmental attorney Adam Friedman gave a presentation warning of potential liabilities if injection disposal wells contaminate groundwater.

"There are no examples of this that I'm aware of; it's just that the logical relationship of injecting these fluids is that there's the potential for upward migration," said Friedman, a partner at McElroy, Sullivan, Miller & Weber LLP. "I just would have to think that it has to be happening."

Even if injection isn't polluting active water wells today, he said, water wells in 15 years may find contaminants in deeper aquifers that aren't used today.

The Texas Oil and Gas Association declined to comment for this report. Several injection well developers did not respond to queries.

Subterranean pollution in the oil patch is hard to track. A century of booms and busts in West Texas have left many areas with groundwater pollution of undetermined origin.

For Shifflett, waiting for certain proof of groundwater contamination means waiting until it's too late. He hasn't had any problems yet. But just up State Highway 17, his neighbor Ashley Giesbrecht has noticed troubling signs.

Several years ago, Giesbrecht said, 50 acres of wheat and 80 acres of barley surrounding a certain well turned brown and died. He doesn't know why. The rest of his fields are producing slightly less than he thinks they should. He cultivates 925 acres with groundwater pumped through 32 wells drilled to various depths.

"They seem to have gotten a little bit saltier, but I'm not going to say it was the oil field. Could have been a coincidence," he said from a leather recliner in the corner of his living room. "I can't really verify everything."

Giesbrecht, 43, came to farm Reeves County from Georgia in 2009, lured by cheap land. Soon after, the fracking boom arrived here. Within 10 years, it would make the Permian Basin the second-largest oil producer in the world. A steady torrent of people, companies and heavy machines roared into agricultural communities to drill wells, take the oil and pump the waste back underground.

Since then, Giesbrecht has made money selling his well water to oil companies. He's not sure if farming has a future here.

"The oil field's kind of notorious for messing up the groundwater," he said. "My idea is to sell enough water to where I could save up and buy somewhere else if they do ruin the water."

Thousands of holes

Drillers have made thousands of holes in the ground. They all run through the aquifers and then continue thousands of feet down to hydrocarbon deposits and pressurized waste pits. The holes are cased in cement and steel, which corrode over time. If a big earthquake hits, there's no telling what could break.

"You punch enough holes in it, the whole country's going to fall apart," said Greg Perrin, general manager of the Reeves County Groundwater Conservation District. "I know it's not a good thing coming."

He said disposal companies injected 121,000 acre-feet of water, or 39.4 billion gallons, beneath Reeves County in 2021, the last year with available data. That's a column of water with a 1-acre base nearly 23 miles tall, shoved underground. An

acre-foot equals about 326,000 gallons, or enough to cover an acre of land in 1 foot of water.

The pace hasn't slowed since then, he said.

"Every week there are five to six new applications for injection wells in our paper," said Teresa Winkles, 63, an administrative assistant at the groundwater district. "You've got all this pressure under there. It's got to go somewhere."

In theory, injection wells fill confined formations, and their contents never escape. When they reach capacity, they are plugged with cement and sealed off forever. Ensuring it all happens according to plan falls to the Texas Railroad Commission.

In an email, a spokesperson for the agency, R.J. de Silva, said that the commission "takes all precautions to ensure the safety of residents and the environment" and that injection wells were designed to keep their contents separate from freshwater.

De Silva said the commission knew of one issue in the mid-2000s when produced water turned up in groundwater near an injection well in Winkler County and that the issue was resolved.

"Injection wells are cemented and monitored with pressure gauges to ensure that they are isolating freshwater," de Silva said. "Any wells that are known to be leaking must cease operations and repair the well."

De Silva pointed to the commission's Rule 3.46, which requires applicants for injection well permits to "demonstrate that fluids will be confined."

The rule says that "conditions exist that may increase the risk that fluids will not be confined"—among them, "seismic events." It also requires that any nearby abandoned wells "have been plugged in a manner that will prevent the movement of fluids from the disposal zone into freshwater strata."

According to Katie Smye, a researcher who studies injection wells at the UT-Austin's Bureau of Economic Geology, new wells are typically built to satisfactory standards. It's the thousands of old wells drilled before wastewater injection that concern her.

"They were not drilled or cased to withstand the pressures we are now seeing," she said.

Injection increases pressure in formations used for disposal, she said. That pressure can affect the old wells that pass through those formations, creating pathways between the wastewater and the freshwater aquifers.

In the history of the Permian Basin, she said, some 60 billion barrels of produced water have been disposed of, about half since 2010. Several hundred billion more will still need to be dealt with as Permian oil production continues, she said.

"This is what causes potential concerns for injection capacity and breaching of that injection capacity constraint," Smye said.

"Oil field apocalypse"

Some 50 miles east of Reeves County, evidence abounds that things underground aren't working according to the state's rule. Eruptions of wastewater are occurring where they shouldn't be, well casings are falling apart and fluids once injected into oil wells are appearing in the groundwater.

In Crane, Ward and Pecos counties, the scrappy ruins of midcentury oil boomtowns contrast with the busy fracking hubs of today. A rush on conventional oil came and went decades ago, but the holes and the water that it left in the ground remain.

Back then, drillers injected produced water back into oil pockets to squeeze out remaining crude, then plugged and capped their wells. Records from the Railroad Commission show 3,784 permits for injection in Crane County, most of them in the 1980s and 1990s, with 719 active injection wells today.

Now, abandoned wells ooze crude onto the surface. Busted casings gurgle up brine mixed with hydrogen sulfide gas in toxic pools on the surface. One old well formed a sinkhole that ate a highway.

The largest, Lake Boehmer in neighboring Pecos County, started forming 20 years ago and now covers 60 acres as salty, odorous water continues to gush up from underground. The Railroad Commission said Lake Boehmer falls beyond its jurisdiction because the original oil well permit was transferred to a water well permit in 1951, without producing any hydrocarbons after the transfer.

“This is kind of like the oil field apocalypse,” said Schuyler Wight, a fourth-generation West Texas rancher whose land has at least nine wells leaking oil onto the surface. “They’ve got everything pressured up so much.”

People here haven’t drunk the groundwater for decades, Wright said. But only in the last few years have some wells started to blow sky-high. One of them, a Chevron well, started spraying fluid into the air on the Antina Cattle Co. ranch in 2021. The landowner, Ashley Watt, sued Chevron and three other companies in December, accusing them of negligence, fraud and violation of Texas’ natural resource code for, among other things, causing groundwater pollution.

In addition to monetary damages, the lawsuit asks Chevron and the other defendants to clean up the site so the groundwater, surface water and land are “returned to the condition prior to any pollution or contamination.”

Analysis of the groundwater near the well, conducted for Chevron by consulting firm GHD, discovered radioactive contaminants and linked them to “produced water.” Sarah Stogner, an oil and gas attorney who represents Watt, said the tests were requested by the Railroad Commission and shared with her by Chevron lawyers. Chevron did not respond to a request for comment.

“The contaminants found in our freshwater aquifer are a result of produced water,” said Stogner, who ran for a seat on the Railroad Commission last year on a platform of abandoned well cleanup and groundwater protection but lost to an incumbent in the Republican primary.

In January 2022, another well in Crane County erupted in a 100-foot geyser, KOSA News in Midland reported, and the Railroad Commission told residents during a public meeting that it didn’t know what caused the pressure.

Watt, alarmed by the surface activity, wondered what was happening below ground. Her land holds 250 wells, most of them decommissioned, plugged and capped 6 feet underground. She commissioned excavations to check their condition; of 56 wells unearthed late last year, at least 50 were leaking.

Some ooze oil and water out of pea-sized holes in the visibly corroded casing. Others gurgle gas bubbles up through pools of dark water. Beside others, permanent wet spots in the ground suggest nearby leaks below the excavation.

“That’s going into the groundwater,” said Hawk Dunlap, an international oil field firefighter, as he stood over a bubbling black puddle in a pit he excavated.

Dunlap, a fourth-generation oil worker and sixth-generation Texan, has traveled the world working on oil field disasters. Unlike the tall plumes of chemical fires that attract much attention, the problems of West Texas water are all underground, out of sight and easy to ignore.

“This is the worst I’ve ever seen. I’ve been in 102 countries. I have never seen anything like this. And there is nothing in my mind that can fix it,” he said. “You go around the world telling everybody how great Texas is, then come home and see this. It’s rather embarrassing.”

Earthquakes and springs

West Texas is vast, and people live far apart from one another. Water travels slowly underground, seeping through saturated sand or meandering through a deep labyrinth of caverns. Many distinct water-bearing formations are layered underground. Some spots are isolated systems. Contamination in one place doesn’t mean contamination everywhere.

In the far south of Reeves County, near the foothills of the Davis Mountains, natural springs still gush clean water that nourishes surrounding farms and towns. Toyahvale sits amid a cluster of five towns. Neta Rhyne moved here in 1979 when her husband became superintendent of the state park surrounding the largest of the natural water sources—San Solomon Springs. Now she owns a shop across the street and loves the critters of the quiet desert.

She said this region’s largest earthquake in memory, a magnitude 5.7 in 1995, before fracking, happened 40 miles southeast of here and turned San Solomon Springs murky for a week. Seismicity affects the subterranean caverns that feed the springs, she said, and she worries what earthquakes and wastewater injection could do.

That’s why she’s concerned about what could happen if the rapid pace of wastewater injection continues.

“It’s billions and billions of gallons a day that they’re pumping into the ground,” she said. “It will eventually find a path into our freshwater.”

Scientists have known for decades that this practice can cause movement in the earth. Geologists with the U.S. Geological Survey used an injection well to create earthquakes in Colorado in 1968. After the fracking boom reignited interest, a 2015 study in the journal *Science* said “wastewater injection wells induce earthquakes.”

Earthquakes caused by human activity—also known as “induced seismicity”—can happen when fluids injected deep underground enter and “lubricate” existing faults, causing them to slip, according to Kevin Urbanczyk, a hydrogeologist and professor at Sul Ross State University in the nearby town of Alpine.

Fault slips can change the formations that contain injected wastewater.

“The idea with those deep well injections is they’re going into confined aquifers,” Urbanczyk said from his desk, heaped in geological texts and diagrams. “If you induce seismicity, you can change the confining layer.”

Earthquakes also threaten the casings on thousands of holes that run through the aquifers to the waste pits and hydrocarbons beneath.

“It could break that casing just like it breaks roads and concrete paths,” said Jeff Bennett, a hydrogeologist who worked 15 years with the National Park Service in West Texas.

If well casing breaks, it can open pathways connecting freshwater aquifers to underground waste pits.

Protesting permits

That’s why Rhyne has protested every permit application for an injection well in her area for the last seven years—she guesses about 100.

The first time was 2016. She saw the application notice in her local paper and mailed a notice of protest. Later, a lawyer called to set a court date in Austin, almost 400 miles away.

It was only a pre-hearing to determine if Rhyne had legal standing as an “affected person” to bring a complaint against the disposal well developer, whose legal team was waiting for Rhyne in Austin.

“They had all their fancy lawyers and their briefcases,” Rhyne recalled. “I lost, of course. They got their permits.”

In 2020, Rhyne wrote in a legal brief to the Railroad Commission that San Solomon Springs was damaged by the 1995 earthquake 40 miles away. Accordingly, she wrote, an injection well proposed 20 miles from the springs could threaten her livelihood.

“Acceptance of this argument would necessarily deem every resident or business owner within at least a 40 mile radius of every proposed injection well as an ‘affected person,’” a lawyer for the well developer wrote in response. “Rhyne must be dismissed as a protestant in this matter.”

In May 2021, the commission dismissed the complaint.

Rhyne said the Railroad Commission has never granted her legal standing as an “affected person” to bring her complaint to a formal hearing. (A 2021 report by the watchdog group Commission Shift found that wastewater disposal companies were top contributors to railroad commissioners’ campaigns.)

Shifflett, the Reeves County farmer, spent years asking the Railroad Commission to slow down this trajectory. He has his correspondence with the commission and filings from developers to prove it.

“This proposed well is not that far from our water zones,” he wrote in one letter of protest from 2015. “How many salt water disposals is enough? There are quite a few all around this location within just a few miles. Do we need a disposal on every corner?”

In the years that followed, dozens more disposal wells appeared in his area, and with them came the earthquakes. He keeps copies of the *Pecos Enterprise* that reported some of the big ones.

In 2017, a quake left a 14 inch bulge on his land and opened a crevice 5 feet deep and a half mile long. It wrecked his irrigation system. Shifflett complained to the

Railroad Commission that this was caused by injection wells. But the commission, Shifflett said, told him drought probably caused the deformations in his land.

“They said it was all drought,” Shifflett recalled. “I said I never seen a drought make an 18-inch-wide crack 5 feet deep into the ground.”

At a hearing in Austin, Shifflett presented the commission a March 2018 study by a geophysicist with Southern Methodist University in Dallas, which identified surface deformations for a radius of 2 kilometers centered on a particular West Texas injection well.

The study, said a university blog post, “suggests the area’s unstable ground is associated with decades of oil activity and its effect on rocks below the surface of the earth.”

An attorney for the well developer NGL Water Solutions Permian asked the commission to reject the study as flawed and irrelevant.

“Shifflett admitted on the record at the prehearing conference that he is not a scientist, and that he can’t explain the technical report,” wrote the attorney, George C. Neal, in an October 2018 response to Shifflett’s complaint, which the commission later dismissed.

Shifflett traveled seven times to address authorities in Austin, but he, like Rhyne, was never granted legal standing to bring forth a challenge. Eventually, he said, the commission threatened to charge him to continue filing complaints.

“They said if you come back again you’ll need to pay like the oil companies do,” he said. “Needless to say, I didn’t go back. It didn’t do any good anyway.”

Ms. KAMLAGER-DOVE. Ms. Robinson, I heard you, and I want you to know that, with or without a government shutdown, I am coming to your town, and I am bringing folks with me because we want to see it with our own eyes.

And the way I, Congressional Research Service, and the lawyers we have spoken to read this, all NEPA analysis is waived for the four new lease sales that would be required in this bill. That means that there would be no environmental analysis or public comment. It also waives the requirements for the Bureau of Ocean Energy Management to consider balancing environmental damage, size, impact, and timing. None of that analysis will be included here, although when we had a hearing yesterday it seemed like they wanted all that. So, go figure.

Ms. Robinson, I want to thank you for your testimony. What does it mean to you that you have some elected officials here from your state who are saying that rushing to oil and gas drilling is more important than hearing from the community on the impacts of that drilling?

Ms. ROBINSON. Honestly, it is not surprising. Living in Louisiana, being active in Louisiana, being an active voter in Louisiana, showing up to meetings in Louisiana, living through many things in Louisiana where government officials could have shown up and spoke up for us, I am not surprised.

Ms. KAMLAGER-DOVE. H.R. 5616 waives judicial review so no one can sue to stop a lease sale, even if it is done illegally, even if there are illegal impacts on public health, even if the drilling could harm endangered species.

You have talked about the vibrancy of your community and of Louisiana. Can you discuss what the Gulf Coast region could look like years from now if states and the Federal Government work

together to reduce fossil fuel pollution and achieve environmental and climate goals while creating good-paying jobs?

Because I am certain you do not believe it is binary. You can have both. You can have clean air and clean water, and you can have good-paying jobs.

Ms. ROBINSON. Yes. So, there have been talks, there has been research that New Orleans could be under water. It could become Atlantis in 2050. Everyone loves New Orleans. Everyone loves Mardi Gras. But just imagine in the next 30 to 50 to 100 years, there is nothing, there is nothing left. That is what Louisiana could become if we continue this overall oil and gas buildout.

Ms. KAMLAGER-DOVE. As you were talking and as I was reading your testimony, I actually was thinking back to Hurricane Katrina and Black people fending for their lives, sitting on the top of roofs, begging for help, begging for this Federal Government to see them, to acknowledge them.

And instead, what I also saw were a whole bunch of folks holed up in the Superdome, trapped like animals, like criminals, completely ignored by this government. And we have an obligation to rectify that, along with making sure that Deepwater doesn't happen again to anyone else, to workers who are working on those rigs, to fishermen who depend on clean water for their livelihood, and for communities who live adjacent to those communities.

I appreciate you reminding us how important all voices are in our communities. Could you just give me for a few seconds—because I do want to just say one thing in closing—about Cancer Alley in relationship to this?

Ms. ROBINSON. Cancer Alley is in southeast Louisiana. We are dealing with pretty much the same things in southwest Louisiana where this buildout with air pollution is killing generations of people, young and old. Not even is it just only killing people, but it is giving people these underlying illnesses or different diseases.

My mentor, her daughter, acquired a skin disease because of this pollution in sulfur. Her son had a seizure behind the wheel because of the pollution in Westlake. So, these things are affecting us in so many ways, not only in Cancer Alley, but also in southwest Louisiana.

Ms. KAMLAGER-DOVE. Thank you, Ms. Robinson.

I just want to end, Mr. Chair, with a quote from a Texan farmer: “The oil companies are going to ruin our water. If they ruin the water out here, there won't be anyone left.”

With that, I yield back.

Mr. STAUBER. Thank you very much. Now we go to the Chairman of the Full Committee, Representative Westerman.

Mr. WESTERMAN. Thank you, Chairman Stauber. Thank you to the witnesses for being here today.

When I walked in and was hearing some of the questioning, I was checking to make sure I was in the right hearing because I first walked in and thought we were having a hearing to do away with NEPA, to just take it off of the books. That is what it sounded like was happening. And then I just heard this being compared to the hearing we had yesterday, where we were talking about NEPA. And it is one of these situations where sometimes we seem to know so much about what just isn't so.

Mr. Tarpley, is there anything in this bill that does away with NEPA?

Mr. TARPLEY. Well, Mr. Chairman, I think we got kind of lost in the discussion there. This bill wouldn't be necessary if we had the 5-year plan in place that the law requires. And if the American people had access to these resources through the 5-year plan, as the law requires them to, this bill wouldn't be necessary.

Mr. WESTERMAN. Has there been a NEPA analysis done on, I think, Sale 267? Or I may have the number wrong, but has there been previous analysis done?

Mr. TARPLEY. There has been previous analysis done.

Mr. WESTERMAN. Tell me if I am mistaken, but isn't the goal just to hopefully have somewhat of a level playing field?

Mr. Upton talked about risk and certainty, which, as long as you can create uncertainty and risk, you incentivize people not to invest. And that is what a lot of the policies of this Administration, I wouldn't say policies, the actions of this Administration are, are to create uncertainty, to make the risk seem larger or unknown to drive investment away.

I just went back and was re-reading Mr. Graves' bill. There is no waiving of NEPA. There is no short-cutting environmental protections.

Mr. HUFFMAN. Would the gentleman yield for a question that will correct his misunderstanding of the bill?

Mr. WESTERMAN. No, this is my time. You will get some time in a moment.

Mr. HUFFMAN. I just wondered if you wanted to be corrected with a question.

Mr. WESTERMAN. I am asking the witnesses questions because I have heard the rhetoric on your side of the dais so far.

Ms. ROBINSON, do you believe NEPA is a bedrock environmental law? Should it be followed?

Ms. ROBINSON. Of course.

Mr. WESTERMAN. Should we ever waive it to build stuff in national parks?

Ms. ROBINSON. No, you shouldn't waive it at all. You should give those agencies that are supposed to make sure things are being done in a certain way, you should give them that access to do that, but then also you should also still give community input, whether you are building a community park or offshore drilling.

Mr. WESTERMAN. I agree with what you just said. Do you think Mr. Graves' bill waives NEPA?

Ms. ROBINSON. From what I read, I do believe that. I do believe it is not looking to acquire NEPA in any of their guidance or any other agency that is trying to give environmental reviews before anybody leases off the Gulf.

Mr. WESTERMAN. If I were to tell you that the Council of Environmental Quality that works in the White House just recently waived environmental laws, waived NEPA, waived the Endangered Species Act so they could build structures on a national park, would you think I was talking about something that happened in reality, or would you think I was making that up?

Ms. ROBINSON. I am thinking you are talking about that in reality.

Mr. WESTERMAN. Because it did happen just a couple of weeks ago, and that is not what is happening here. We are trying to create a level playing field and force the Administration to do the job that Congress has mandated that they do through the law. And I think it is disingenuous to talk about doing away with environmental laws.

Mr. CHIASSON, can you talk a little bit about the amount of money that gets spent and the effort that goes in to actually fulfill the NEPA process, and then what it is like to hit a roadblock because somebody in the Administration is moving the goalpost, or saying, "That wasn't enough," or "You forgot this"?

And how does that feel when you are trying to do a job and you never can figure out what the deliverables are because they change?

Mr. CHIASSON. Yes, as a port authority, when you are trying to do development in a water and a marsh type of environment, we have to go through a NEPA process very, very extensively, and it costs a lot of money.

But that is not the issue. The issue is the goalposts always moving. And we need to make sure that we have the laws written out, and what we have to follow, and what we have to achieve, and let us achieve those.

Mr. WESTERMAN. Have you ever built anything where the NEPA process got waived?

Mr. CHIASSON. No.

Mr. WESTERMAN. I yield back.

Mr. STAUBER. Thank you, Mr. Chair. We will now recognize Mr. Mullin for 5 minutes.

Mr. MULLIN. Thank you, Mr. Chair. I would yield to my colleague, Mr. Huffman, for a point of clarification.

Mr. HUFFMAN. I thank the gentleman very much. Folks, I hate to say this, but we just heard some first order gaslighting about what this bill says and does. I guess it assumes nobody is going to read the bill.

But at page 3, from lines 11 through 19, it is right there in black-letter text that these new mandatory lease sales that would have to happen under this bill shall be deemed compliant with NEPA based on a 2017 to 2022 programmatic EIS Record of Decision that was done years ago. It is over. There will be no new NEPA process for these new lease sales. And because that was programmatic, there will be no site specific NEPA at all. Zip. Nothing. And that is a waiver of NEPA by any, any reasonable interpretation.

Mr. WESTERMAN. Will the gentleman yield?

Mr. HUFFMAN. I will give you a chance to correct what you said, Mr. Chairman.

Mr. WESTERMAN. You said there will be no site-specific NEPA.

Mr. HUFFMAN. No site-specific NEPA, because the programmatic NEPA from the prior lease sales is deemed to comply with NEPA in its totality. It is right there in the bill. No site-specific, not even any new programmatic. No NEPA at all.

Mr. WESTERMAN. Mr. Tarpley, Mr. Upton—well, it is your time. I was going to ask them that question, but I shouldn't do that on your time.

Mr. HUFFMAN. Just read it.

Mr. WESTERMAN. Now, I believe they still have to do a site-specific analysis.

Mr. HUFFMAN. No, there is no NEPA at all for these lease sales.

Mr. WESTERMAN. No, there has been NEPA done in the past, and the Administration failed to act on the projects when the—

Mr. HUFFMAN. Let me read you the language of the bill at line 15: “shall be sufficient for purposes of complying with the National Environmental Policy Act.”

Mr. WESTERMAN. What shall be?

Mr. HUFFMAN. For the lease sales under this section, meaning the programmatic that was already done and closed shall be sufficient for all purposes for these lease sales. It is the only way to read it.

Mr. WESTERMAN. But listen to what you said. And it starts at line 12. The final programmatic environmental impact statement and Record of Decision shall apply. There was NEPA done on this project.

Mr. HUFFMAN. On a prior set of lease sales, on a prior plan. There will be no new NEPA. It is done. That Record of Decision is closed and done.

Mr. WESTERMAN. And how many times are we going to have to do NEPA?

Mr. HUFFMAN. And now we are going to mandate at least four new lease sales with no new NEPA whatsoever.

Mr. WESTERMAN. Because the Administration didn't do the lease sales when this NEPA was done.

Mr. HUFFMAN. It is a waiver of NEPA.

Mr. WESTERMAN. So, now they say the clock ran out, and guess what? You get to go do the NEPA all over again, so we can run the clock out again and come back and say, “Go do the NEPA all over again.”

Mr. HUFFMAN. No.

Mr. WESTERMAN. Enough has to be enough.

Mr. STAUBER. Mr. Mullin, go ahead.

Mr. MULLIN. I am glad I was a witness to that exchange, as a freshman in this Committee. It got my blood pumping a little bit.

With the remaining time, let me just ask a question specific to my district and ports. I am proud to represent the Port of Redwood City in beautiful San Mateo County, California. So, the question is simply for Mr. Chiasson.

The impact on the Port of Redwood City and ports around the country with regard to a looming government shutdown, can you talk about the economic impact of that, and then the impact on jobs and the broader economy?

Mr. CHIASSON. In terms of what?

Mr. MULLIN. How a shutdown would affect day-to-day operations of those ports, and what your feeling is about impacts on the broader economy.

Mr. CHIASSON. Specifically for Port Fourchon, the government shutdown doesn't have much of an impact on me. We are going to continue to do and provide the services necessary to provide energy for this country, no matter what happens, whenever it happens. It is essential that we do that.

Mr. MULLIN. And do you think there is a broader impact on the economy with the government shutdown?

Mr. CHIASSON. I think there is potential to have some broader impacts when it comes to, if there is any impact to CBP or anything like that, yes.

Mr. MULLIN. Thank you.

I yield back.

Mr. STAUBER. Thank you. The Chair now recognizes Mr. Graves from Louisiana for 5 minutes.

Mr. GRAVES. Thank you. I want to thank all the witnesses for being here today. I appreciate it.

Mr. Chiasson, your port board, how do they get their jobs?

Mr. CHIASSON. They are an elected port commission by our community.

Mr. GRAVES. Would you consider that sort of reflecting the objectives, priorities, or the views of your community?

Mr. CHIASSON. Absolutely.

Mr. GRAVES. Do you support this bill?

Mr. CHIASSON. Yes.

Mr. GRAVES. Thank you very much. I appreciate it.

Mr. Chairman, just a question about a hearing. A hearing is designed to do what? Why do we have these hearings?

Mr. STAUBER. Well, to discuss the pros and cons of any bill.

Mr. GRAVES. Thank you. So, another way of saying we are getting input, is that correct?

Mr. STAUBER. That is correct.

Mr. GRAVES. Yes. Thank you, Mr. Chairman. I am always fascinated by my friends here and some of the things that are said. I am beginning to think that the comments that are made are on purpose, just to force us to spend all of our time going back and correcting the record said another way, misunderstanding about how things work.

Dr. Upton, I heard folks talking about fair market value, and I know you spent a lot of time in your testimony talking about economics. The Inflation Reduction Act, have you spent any time looking at that?

Dr. UPTON. Yes, sir, I have.

Mr. GRAVES. Does that do anything to distort economics of energy?

Dr. UPTON. Yes, sure. The Inflation Reduction Act has a lot of, I would say, supply-side policies.

Mr. GRAVES. Said another way, it subsidizes certain energy technologies to make them more attractive.

Dr. UPTON. That is absolutely accurate.

Mr. GRAVES. So, in the case of a technology that has been around for, I don't know, 40 or 50 years, it kind of seems like at some point, if it can't stand on its own two feet, maybe we should look elsewhere or do something else. Is that a fair assessment?

Dr. UPTON. Well, I guess you would have to weigh the environmental—

Mr. GRAVES. Overall pros and cons?

Dr. UPTON. That is right, the overall pros and cons. In the example of energy, of course, there are negative externalities. So,

you would want to value that externality and then compare that to the size of the subsidy.

Mr. GRAVES. But again, there is a tipping of the scale there as a result of subsidies that are in the bill in terms of disrupting economics that would otherwise just be balanced based upon natural factors. Is that fair?

Dr. UPTON. Absolutely, yes.

Mr. GRAVES. OK. And then the other thing I heard folks saying that fair market value was not contemplated whenever offshore energy production would occur. Well, you have two different types of revenue—well, actually three different types of revenue generated from a lease sale. One of them is rental payments, which we will just put on the shelf for just a minute. But one of them is bonus bids. Isn't that like an auction?

Do you view an auction as being maybe a way to determine fair market value of an item?

Dr. UPTON. Yes, sir, I do.

Mr. GRAVES. I mean, I think Sotheby's has figured out that that seems to work, right?

Dr. UPTON. Yes, sir.

Mr. GRAVES. And then you also have royalty rates. And royalty rates, if I remember correctly, those were actually set by—let me think. What was that knuckle-dragging Administration? Oh, wait a minute. That was the Obama administration that set those. I mean, look, seriously. And, of course, I said that in jest, suggesting that my friends were indicating that there was some Republican administration that had set those figures.

And then one other point to make here. The Environmental Impact Statement that was done, as the Chairman of the Full Committee noted, that EIS was done on this very area. It was done on this very area for this very type of activity. And because this is the most produced offshore area in America, it is redoing what was redone, what was redone, what was redone, what was redone.

But I am glad that my friends are concerned about the environment. I am. I am very glad that my friends are concerned about the environment because, when you look at the Energy Information Agency under the Biden administration, it clearly shows that there is a projected increase in oil and gas demand globally over the next few decades. So, then you look at where you get the lowest carbon intensity—because I know my friends share my objective about carbon intensity—and guess where you get some of the lowest carbon intensity barrels in the world?

Mr. HUFFMAN. UAE.

Mr. GRAVES. That was close. Actually, Gulf of Mexico. So, if you have an objective—and, look, I know that my friend has an objective of employing people and creating economic activity in the UAE, but I would like to see economic activity, I see your campaign signs every time I go there but I would like to create economic activity, employment in the United States, and specifically down in the areas where our communities live and work, where we have higher wages. So, I think it is really important that we do that production in the Gulf of Mexico.

So, Mr. Chairman, I want to thank my friends for continuing to throw out all of these statements that, unfortunately, aren't

supported by fact, and I appreciate the opportunity to correct the record. And I can't wait for the opportunity to continue correcting the record as we continue through this bill hearing and markup.

I yield back.

Mr. STAUBER. Thank you, Mr. Graves.

Ms. KAMPLAGER-DOVE. I would like to ask unanimous consent to enter into the record this 2017 study by Oil Change International, which shows the U.S. Government directly subsidizes fossil fuels at \$20.5 billion annually.

Mr. STAUBER. Without objection.

[The information follows:]



DIRTY ENERGY DOMINANCE: DEPENDENT ON DENIAL

HOW THE U.S. FOSSIL FUEL INDUSTRY DEPENDS
ON SUBSIDIES AND CLIMATE DENIAL



The full document is available for viewing at:

<https://docs.house.gov/meetings/II/II06/20230928/116323/HHRG-118-II06-20230928-SD009.pdf>

Mr. STAUBER. Representative Huffman, you are up for 5 minutes.

Mr. HUFFMAN. Thank you, Mr. Chair.

Was anyone here yesterday? It was an interesting and almost surreal experience because in the Natural Resources Committee my colleagues across the aisle, who have spent the last 9 months attacking our bedrock environmental laws in every way one could think up, were advocating for more aggressive enforcement of environmental laws under NEPA, and other environmental laws in order to prevent migrants from occupying a shelter on a piece of National Park Service land.

Mr. GRAVES. Will the gentleman yield?

Mr. HUFFMAN. No, I will not.

So, in some ways it is reassuring to be back here in the more normal context of my Republican colleagues back at it, attacking and waiving and undermining our environmental laws. And this is the most naked one I think I have seen yet, a mandated lease sale with no environmental process whatsoever associated with it, and also some waivers of taxpayer protection and other reforms. This is pretty brazen stuff.

But look, I have had a lot of back-and-forth with my colleague from Louisiana over the years. We get along. It is sometimes light-hearted. So, I could probably give all of his arguments and he could give a lot of mine. There are some greatest hits that we hear all the time. The gentleman who knows better does real careful parsing and snipping of baselines and data sets to try to suggest that—

Mr. GRAVES. Are you referring to me or you?

Mr. HUFFMAN [continuing]. The Trump administration was great for climate, that he actually caused emissions to go down during his 4-year term, never mind that the Obama policies and market conditions had set certain things in motion, and then the world economy went to sleep during COVID. The gentleman is happy to snip that piece of data, and suggest Trump was great for climate, despite the wrecking ball he took to climate policy and climate action, and then turn around and suggest that because President Biden presided over an incredible economic recovery and emissions began to go up, that somehow the Biden administration has been bad.

You can play with numbers all you want. I can argue that in the last NBA season Steph Curry and I combined for an average of 15 points per game.

[Laughter.]

Mr. HUFFMAN. And if I were like my friend from Louisiana, I could even pound the table and say it is a fact, it is true, because it is. But it is total BS.

And maybe the biggest whopper of all is this one we are hearing now about all of this new oil and gas production—the poor beleaguered fossil fuel industry that is rolling in record profits, it is enjoying record production—that we have to do all of this new stuff as a climate action because somehow our fossil fuel production is cleaner than the other guys.

I am not kidding when I talk about the UAE because I have met with oil executives and leaders from the UAE who dispute the claim that our dirty fossil fuels are cleaner than theirs. They say

they are powering their refineries with solar energy, and they have done much more to reduce methane loss. They say they have the prettiest horse in the glue factory. But, of course, our oil and gas industry disputes that. Heck, in Norway they are getting ready to power their oil and gas extraction with a bunch of offshore floating wind platforms. Maybe they have the prettiest horse in the glue factory.

Why are we even talking about winning this race to the bottom, when all of the science and everything we know about this climate crisis tells us all of this is non-responsive to the crisis? We have to stop using fossil fuel. We have to disengage and phase out.

And I am old enough to remember something incredibly similar to this gaslighting our fossil fuel is cleaner BS that we are hearing. A few decades ago, when the tobacco industry was killing a lot of people just like the fossil fuel industry, and they were rolling in profits, and all of a sudden the science started resolving all doubt about the cancers they were causing and the other health effects they were causing. So, they rolled out filtered cigarettes. And they started getting doctors and other people to say how much safer, how much healthier these filtered cigarettes were. They knew better. They knew that it did nothing to reduce all the death, and cancer, and everything else. But they said it anyway, because there was a lot of money to be made. And here we are again.

Ms. ROBINSON, I just want to ask you, when you hear the cold comfort of oil and gas talking heads saying our fossil fuel is cleaner than someone else's, does that make the tumors any smaller in Cancer Alley? Does it make it any easier to deal with the death and the health effects that your region is suffering from?

Ms. ROBINSON. It does not.

Mr. HUFFMAN. Thank you.

I yield back.

Mr. STAUBER. I thank you very much. And at the Chair's discretion, we are going to allow round two of discussions. And my good friend from Louisiana, Mr. Graves, is up.

Mr. GRAVES. Thank you, Mr. Chairman. I want to thank my friend from California. And I want to be very clear, he is my friend. He is my friend. I go to dinner with him, I have hosted him in Louisiana. I am still waiting for that invite to California that I know after 5 years is coming. But he is a friend of mine, we just violently disagree.

And I want to be clear, Mr. Chairman. Whenever I noted that emissions from the Gulf of Mexico have some of the lowest intensity in the world, that is just the Gulf of Mexico. That is not paired with Mr. Huffman's points in the basketball game. So, that was clearly an apples-to-Volkswagen comparison that was noted earlier.

So, Mr. Chairman, I am glad that my friends are so concerned about economics, because we watched recently where the Federal Government, BLM, actually reduced royalty rates for solar projects in California, once again ignoring economics or fair market value.

I am glad that my friends are so concerned about NEPA, and I am waiting for their objection, and I would be happy to yield to any of them to explain their objection that they lodged whenever this Administration did a categorical exclusion for EV charging stations.

Now, let me be very clear, because there seems to be a lot of confusion. The hearing yesterday had to do with waiving NEPA for an activity that had never occurred, or never been studied on National Park Service land. Whereas, what this bill does is it allows you to tee off of an existing NEPA analysis on the exact same activity in the exact same geographical area, and an activity that has occurred more in this region than probably any other offshore area of the world. I know at one point within the last 20 years, approximately three-fourths of all of the offshore energy structures in the world were in the Gulf of Mexico. This isn't any novel idea. This occurs in this area.

I want to be very clear that what you see happening here is this is an argument of convenience for, I am afraid, people in this room that folks are trying to distort facts and trying to shove their arguments into places where they clearly don't fit. We have heard arguments about economics that are clearly disrupted. You use an auction. You have heard arguments about the environment. There is study after study that show lowest carbon-intensity barrel. The Biden administration's own projections on oil and gas show that you are going to have global demand increases, particularly in developing nations.

Mr. Chairman, when you look globally, I believe it is the International Energy Agency's Chairman who said that the greatest reductions in energy emissions in world history occurred because of what the United States did, and that was largely attributable to natural gas. Why in the world would we not move in that direction?

And let me give you one last example, Mr. Chairman. If you were to take 1 year, 1 year of LNG that was sent, liquefied natural gas or natural gas that was supplied to Europe, supplied to the European Union from Russia, from Vladimir Putin, and replaced it with U.S. LNG, you would have somewhere around a 215 million-ton reduction in emissions.

And let's make note that would be for free, and to economic benefit to the United States, to the detriment of Vladimir Putin—my friends instead, across the aisle, would rather see taxpayers actually spend money funding this. It is completely non-sensical.

Mr. Chiasson, I guess based upon some of the testimony that I have heard today you live in south Louisiana, do you not?

Mr. CHIASSON. Absolutely. Yes, I do.

Mr. GRAVES. And Mr. Chiasson, you were born and raised there, your family is there, you have kids. Would you do things that you know are actually to the detriment of your community and to your family?

Mr. CHIASSON. No.

Mr. GRAVES. And Mr. Chiasson, I have known you most of your life. You are an expert on energy. In fact, an expert on offshore energy. Your port is capable of supplying 90 percent of the offshore energy sector. You are one of the nation's experts in this area.

I mean, isn't it somewhat absurd that people are alleging that you would shoot yourself, or your community and your family in the foot?

Mr. CHIASSON. Absolutely. I would contend that what you see in Port Fourchon, just in our port itself, the water in Port Fourchon

is cleaner than the Mississippi River. If you come and fish on a platform offshore, the water is clear, blue, and very nice. And that fish is not causing me any problems at all.

Mr. GRAVES. That is right, the top fisheries production in the continental United States in this exact same area.

Mr. Chairman, look, in closing I just want to say that my friends that are concerned about the environment, concerned about communities, as a result of shutting down energy production like this Administration is doing, we are going to see nearly a 30 percent reduction in investment for GOMESA, which, as you know, is for coastal wetlands restoration, for hurricane protection, leaving our communities vulnerable as a result.

And for my friends that care about national parks, it is going to be a 30 percent reduction in funds from offshore energy revenues to go to the Land and Water Conservation Fund. Facts hurt, I guess.

I yield back.

Mr. STAUBER. Thank you.

Representative Kamlager-Dove, you are up for 5 minutes.

Ms. KAMLAGER-DOVE. Thank you, Mr. Chair.

I think what taxpayers want to see is the government stay open, and Congress do its job to make sure that all of our agencies are fully operational so that when we do have a natural disaster FEMA is on the line to take their call.

I do want to refute some statements that were made earlier. CEQ didn't waive NEPA. They used emergency alternative arrangements.

Also, the CEQ regulations, specifically, 40 CFR 1506.12, don't you love staff when they help you make sure that you get the regulations correct? Those regulations and guidance provide for alternative arrangements for NEPA compliance in emergency situations. Agencies are not to delay immediate actions necessary to secure lives and safety of citizens or to protect valuable resources.

And another correction. I have not heard Biden yet say that he is shutting down energy production. It is a fallacy being distracted by what we really should be doing, which is on voting on bills to keep the government open instead of this. I think that is a higher priority.

And to complement what my colleagues have said, let's not mix up truths. Let's not share fallacies. Let's not shut the government down, and let's get some of this information straight about what the regulations do and what has been done in the past.

Thank you. And with that, I yield back.

Mr. STAUBER. Thank you very much. I will now recognize myself for 5 minutes, and I will give my time to Representative Graves.

Mr. GRAVES. Thank you, Mr. Chairman. Mr. Chairman, I can't even begin to tell you my concern about the lack of understanding of how NEPA works.

My friend, the Ranking Member, was just saying that there is no comparison to what I mentioned on the categorical exclusion for EV charging stations. So, let's explain what a categorical exclusion is.

And I hope you are in the anteroom so you can hear me.

A categorical exclusion is granted whenever you have carried out sufficient reviews for a like activity. You then can effectively say,

“We have studied the heck out of this. We understand the environmental repercussions. Therefore, we are going to effectively allow for that understanding to suffice,” and that is how a categorical exclusion works.

Let me see if I can give you another analogy. We have already done Environmental Impact Statements for energy production in the Gulf of Mexico time, and time, and time again. And since this Administration has violated the law and not carried out their 5-year plan as required, then we are going to use the previous one.

Now, what has distinguished from that is what we talked about yesterday, where on the National Park Service an activity that has never been subjected to an Environmental Impact Statement, it was just waived. This isn't even remotely comparable to that. And it is very concerning that we would have people who are here in charge of this policy that apparently don't have that appropriate understanding, based upon the comments that I heard. That is my belief, that there is a clear misunderstanding here. Very, very concerning.

My friends sit here and talk about emissions reduction, but yet when you bring emissions reduction strategies that are proven, and I will read you the statistic. “The magnitude of expected greenhouse gas reduction is even larger when increasing the production and use of the Gulf of Mexico's largest crude category in place of similar crudes from outside of the U.S. and Canada.” You know what the difference is? A 50 percent reduction. This is math.

You have the Biden administration's EIA that says that global demand for oil and gas are going to go up. You have the source that is up to a 50 percent reduction compared to other supplies in terms of emissions. And we are saying, yes, we are going to go to UAE. Are you kidding me?

And all this is being done to advance an agenda that is not based upon math, it is not based upon science. It is based upon facts.

Ms. Robinson, I have to be very candid. I am sorry that you were brought here and, in my opinion, subjected to all this because somebody is trying to get you to tout an agenda that is just simply not informed by fact.

I represent south Louisiana, I was born and raised there, and I have three kids there. I love the community. I love the community and I would never do anything to harm. I have fought for more funds for resilience. I have restored more acres of coastal wetlands than anybody else, spent billions of dollars fighting for it. I have been threatened to fight for that community, to protect the community, to protect the ecological productivity of that region.

And I am just going to apologize to you because facts, data, and science are simply not on the side of the argument that is being made right now. I fully support reductions in emissions, but we have to use strategies that actually make sense and are based upon math and science, not out here in this emotional realm that, unfortunately, this place has migrated to.

The reality is that you have already seen a projected 31 percent reduction in investment in the Gulf of Mexico. The reality is that all of my friends across the aisle that were here last Congress voted for mandatory production on lease sales in the Gulf of Mexico. They seem to have left that out.

I am going to say it again. All of my friends over here that were in Congress last session voted for a bill that mandated oil and gas lease sales in the Gulf of Mexico, period. I don't know why they left that out. That is a fact.

And this Administration, by the way, hasn't complied with the law that says explicitly that the lease sale is supposed to happen right now, and it is not happening because they are ignoring the law because that is what they do when it is convenient.

Mr. Chairman, I am going to submit some information for the record. I ask that the ICF study showing emissions reduction from production in the Gulf of Mexico be included in the record, and I also plan to submit some questions for the record for our witnesses. I want to thank you very much for being here today.

Mr. STAUBER. Without objection.

[The information follows:]

STUDY

GHG Emission Intensity of Crude Oil and Condensate Production

ICF, commissioned by the National Ocean Industries Association (NOIA), has conducted a comprehensive analysis to shed light on the greenhouse gas (GHG) emission intensity of U.S. offshore oil production versus that of other oil-producing regions worldwide. The results are in, and they show that U.S. oil, especially that produced in the Gulf of Mexico, has significantly lower GHG emissions intensity than many other parts of the world.

A Comprehensive Analysis of Global GHG Emissions

ICF conducted perhaps the most robust public analysis of various oil producing locations around the world. This study was able to address many of the common shortcomings of similar studies by looking at virtually all the world's oil production with a consistent scope and analytic method. The report includes:

- An "apples to apples" comparison of global GHG emissions for all global oil production;
- Emission profiles of 103 countries, including various U.S. and Canada producing regions, as well as other groupings such as OPEC and OECD nations;
- Analysis by type of hydrocarbon, covering 13 separate API Gravity classifications;
- Sensitivity analyses of methane emissions from the U.S. Gulf of Mexico, total U.S., Canada, and the rest of the world; and
- ICF estimates GHGs from each component of production, including drilling and completing wells, construction of production facilities, flaring and wellhead venting, oil stabilization, and storage tank fugitives.

23%

The reduced GHG emissions from U.S. oil production play a crucial role in the fight against climate change while ensuring energy is accessible and affordable. According to ICF's estimate, if U.S. oil production were increased enough to offset foreign crude or condensate, it would result in a significant 23% reduction in the international carbon intensity for the displaced oil. This translates to removing 5.7 CO₂e kg/bbl from the global average of 24.4 CO₂e kg/bbl. By harnessing the climate advantage of U.S. oil production, we can make meaningful strides towards reducing global GHG emissions.

46%

The Gulf of Mexico stands out as a region with an even greater climate advantage for U.S. oil production, with much lower carbon intensity compared to other oil-producing areas in the world. According to ICF, if U.S. Gulf of Mexico production were to increase enough to offset foreign crude or condensate, the resulting reduction in carbon intensity would be significant: a 46% decrease in the international average carbon intensity for the displaced oil, which is equivalent to removing 11.3 CO₂e kg/bbl from the current global average of 24.4 CO₂e kg/bbl. This underscores the critical role that U.S. oil production can play in addressing climate change while also improving energy accessibility and affordability.

50%

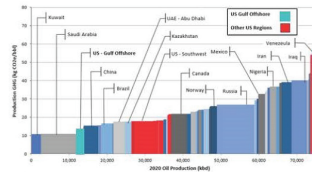
The magnitude of the expected GHG reduction is even larger when increasing the production and use of the U.S. Gulf of Mexico's largest crude category (API Gravity 37.5) in place of similar crudes from outside of the U.S. and Canada. ICF estimates that the "real" difference of an increase would result in a 50% reduction in the average international carbon intensity for the displaced oil. This means 12.8 CO₂e kg/bbl would be subtracted from the global average of 25.5 CO₂e kg/bbl.



STUDY
GHG Emission Intensity of Crude Oil and Condensate Production

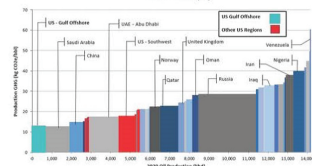
Comparison of Production Volumes and Production GHG Emission Intensity for Gulf of Mexico and Other US Regions and Other Countries Crude Oil across all API gravity categories

The quantity of oil for each US region and foreign country is indicated by the width of each rectangle. Worldwide production of this category of crude is 75.6 million barrels per day. The gray and blue rectangles are individual foreign countries.



Comparison of Production Volumes and Production GHG Emission Intensity for Gulf of Mexico and Other US Regions and Other Countries Crude Oil in API 37.5 Category

The quantity of oil in the API 37.5 category for each US region and foreign country is indicated by the width of each rectangle. Worldwide production of this category of crude is 14.2 million barrels per day. The gray and blue rectangles are individual foreign countries.



U.S. Gulf of Mexico Production and Lower Carbon Intensity Energy: A Global Energy Solution

The significant production volumes of offshore projects enable them to achieve average greenhouse gas (GHG) emissions that are considerably lower than the initial construction and development costs over the project's lifespan. Thanks to a spirit of relentless innovation, the U.S. Gulf of Mexico outperforms several other nations such as Russia, China, Brazil, Venezuela, Iran, Iraq, and Nigeria when it comes to production. Three key factors enable this remarkable achievement:



Innovation, Efficiency, Continuous Improvement, and Regulatory Oversight in the U.S. Gulf of Mexico

Due to the scale and level of investment, sophistication and technology, the U.S. Gulf of Mexico provides among lowest carbon barrels of oil when compared to other all producing regions thanks in part to methane management. Methane emissions are tightly controlled for offshore operations and are very low when compared to other producing regions. Venting and flaring is directly regulated by the U.S. Department of the Interior. Companies are required to recover and sell all produced gas. Venting and flaring is limited to certain unique situations and is not authorized to exceed 48 hours without approval of the regulator. In addition, gas detection systems are deployed widely on facilities to quickly detect and address leaks. Through research, development, and demonstration, companies are deploying advanced technologies that include Forward Looking InfraRed (FLIR) cameras, drones, and advanced software systems.

Exhibit 3: Sensitivity Analyses of Methane Emissions and Methane GWP

Region	All GHG in Kilograms CO2e per Barrel of Oil (Year 2020)		
	Base Case (GPP-20)	Base Case Crude Volumes and GPP-20	EA GHG Volume Multiplier for All Countries (GPP-20)
US GOM	13.1	35.6	16.5
US East	18.7	38.6	23.9
Canada	77.2	81.3	84.0
Rest of World	26.4	27.3	41.1
World Average	26.5	29.2	42.9
Gap Between GOM and World Average	-13.4	-14.2	-26.4

ICF includes a sensitivity analysis of global methane emissions by incorporating different methodologies based upon different factors from other organizations. Under the other methodologies, U.S. production, especially in the Gulf of Mexico, perform much better relative to the global average in terms of emissions intensity even when estimated using different measurement methodologies.

Mr. STAUBER. I want to thank the witnesses. But before I wrap up my comments here, the Ranking Member had said she had never heard the President talk about fossil fuels and ending fossil fuels. I am going to enter into the record a September 6, 2019 article in the *Associated Press* written by Steve Peoples, where he was in Newcastle, New Hampshire with the President when then-candidate Biden looked a young lady in the eye and said, and I quote, "I want you to look at my eyes. I guarantee you, I guarantee you, we are going to end fossil fuels." And that was by candidate Biden.

[The information follows:]

In intimate moment, Biden vows to 'end fossil fuel'

AP News, September 6, 2019 by Steve Peoples

<https://apnews.com/united-states-presidential-election-9dfb1e4c381043bab6fd0fa6dece3974>

NEW CASTLE, N.H. (AP)—Joe Biden is looking voters in the eye and promising to “end fossil fuel.”

The former vice president and Democratic presidential candidate made the comment Friday after a New Hampshire environmental activist challenged him for accepting donations from the co-founder of liquified natural gas firm.

Biden denied the donor’s association to the fossil fuel industry before calling the young woman “kiddo” and taking her hand. He said, “I want you to look at my eyes. I guarantee you. I guarantee you. We’re going to end fossil fuel.”

The activist, 24-year-old Rebecca Beaulieu, later said she appreciated that Biden took her question seriously, but that he was not satisfied with Biden’s plan to eliminate net carbon emissions by 2050.

She also said she found Biden’s use of “kiddo” patronizing.

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Mr. STAUBER. I want to thank the witnesses for their valuable testimony and the Members for their questions.

The members of the Subcommittee may have some additional questions for the witnesses, and we will ask you to respond in writing. Under Committee Rule 3, members of the Committee must submit questions to the Committee Clerk by 5 p.m. on Tuesday, October 3. The hearing record will be held open for 10 business days for these responses.

If there is no further business, without objection, the Committee stands adjourned.

[Whereupon, at 3:53 p.m., the Subcommittee was adjourned.]

[ADDITIONAL MATERIALS SUBMITTED FOR THE RECORD]

PREPARED STATEMENT OF THE HON. JEFF DUNCAN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF SOUTH CAROLINA

H.R. 1121, the Protecting the American Energy Production Act, is straightforward: It prohibits the President from declaring a moratorium on the use of hydraulic fracturing, unless Congress authorizes the moratorium. It also expresses the sense of Congress that states should maintain primacy for the regulation of oil and gas production on state and private lands.

Natural gas is affordable, reliable, safe, clean, and abundant. It keeps the lights on when the wind is not blowing, and the sun is not shining. It can be used as feed stock to create fertilizer that nourishes the food we eat. It can be transported safely across state lines through pipelines and can be exported across the ocean to fuel our allies abroad in times of need.

The American people need natural gas, and the President should not be able to singlehandedly prohibit fracking without the consent of Congress. This Administration has been extremely hostile to fossil fuels in the midst of an energy crisis.

Also, Under current law, each State has primary regulatory authority over oil and natural gas production. This was made clear in the bipartisan Energy Policy Act of 2005. State regulatory bodies are best informed to regulate operations in their own state, this bill reaffirms that.

We are already beginning to see the consequences of poor energy policy. Blackouts are becoming normalized in states like California that have become increasingly reliant on “renewable” energy while shutting down access to reliable baseload power.

Of course, wind and solar is cheaper when the taxpayer is subsidizing the cost. Unfortunately for the ratepayer, this is a poor investment. The reality is that not all energy is the same. Wind or solar energy are simply not as valuable as the energy stored in natural gas. We need an “all-of-the-above” energy matrix that is diversified, and ensures we have baseload generation. This includes natural gas.

Factories and hospitals do not close on a cloudy day, and where “renewables” fail, natural gas can be reliably ramped up to meet demand. We do not need to go backwards. Grids do not have to be unreliable, and in 21st century, Americans should not have to settle with blackouts. We need to build out our natural gas infrastructure in order to achieve American energy dominance, and it begins with our ability to extract it through fracking.

The Shale Revolution has launched America towards energy leadership. We became a net exporter of energy—reducing prices here at home and undercutting the leverage of our Russia (Putin), China, and OPEC. The best defense against our adversaries is more United States energy production.

The Shale Revolution also saved Americans billions of dollars. It is estimated the shale revolution saved U.S. consumers \$203 billion dollars annually, breaking down to \$2,500 per family of four.

It also lowered energy-related greenhouse gas emissions by 527 metric tons per year. Innovation in the oil and gas sector has made the United States a leader in not only energy production but also emission reductions. The United States produces energy cleaner and safer than nearly anywhere in the world and we need policies that reflect this reality instead of ones that undercut our success. Natural gas is clean, affordable, and reliable and we should be increasing its production, not prohibiting it. This bill reflects this reality and would help in delivering affordable and reliable energy to Americans.

I urge support of H.R. 1121 to increase American energy production and restore energy leadership.

Statement for the Record
Bureau of Land Management
U.S. Department of the Interior
on H.R. 1121

Thank you for the opportunity to provide this Statement for the Record on H.R. 1121, Protecting American Energy Production Act.

H.R. 1121 states it is 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.” The bill also prohibits the President from issuing a moratorium on the use of hydraulic fracturing unless Congress authorizes the moratorium.

The Biden-Harris Administration is committed to the highest standards of safety and responsible oil and gas development on public lands. As President Biden has repeatedly stated, oil and gas operations will continue into the future while we transition to a clean energy economy. Neither the President, the Secretary of the Interior, nor the Bureau of Land Management (BLM) have proposed a moratorium on the practice of hydraulically fracturing oil and gas wells. The BLM also notes that States already have discretion over the use of hydraulic fracturing for oil and gas development on State and private lands. Hydraulic fracturing is a common practice for stimulating the flow of oil or gas from a wellbore, and the BLM estimates that the majority of oil and gas wells in production have been hydraulically fractured.

The Department of the Interior is concerned that H.R. 1121 would unduly limit the President’s discretion in managing the safe and environmentally protective development of Federal resources from Federal lands. As such, the Department does not support the bill.

Submissions for the Record by Rep. Westerman

Statement for the Record

American Petroleum Institute
in support of H.R. 5616, BRIDGE Production Act

September 28, 2023

“API appreciates the intent of the BRIDGE Production Act and the forward thinking of Congressman Graves in introducing this bill. The importance of the Gulf of Mexico offshore oil and natural gas industry cannot be denied. The Gulf of Mexico accounts for nearly 15% of U.S. oil production and supports an estimated 345,000 jobs throughout the country. For the past year-and-a-half the offshore oil and natural gas industry has been forced to rely on legislation and court orders to have regular and meaningful lease sales. The Biden Administration has failed to complete the required 5-year Program on time, reduced, and attempted to introduce harmful restrictions on oil and natural gas vessel traffic in the Gulf of Mexico. The BRIDGE Production Act will provide for much needed offshore lease sales and help give companies the certainty needed to continue to invest in Gulf of Mexico exploration and development.”

Holly Hopkins
Vice President of Upstream Policy

BRIDGE Production Act Will Help Lower Energy Costs and Tame Inflation

Consumer Energy Alliance, September 20, 2023

<https://consumerenergyalliance.org/2023/09/bridge-production-act-will-help-lower-energy-costs-and-tame-inflation/>

WASHINGTON—Consumer Energy Alliance (CEA), the leading energy and environmental advocate for families and businesses, applauds the introduction of the BRIDGE Production Act of 2023 by Congressman Garrett Graves.

“With oil prices back over \$90 and Saudi Arabia and Russia extending their 1.3 million barrel per day production cut through the end of this year, American families and businesses struggling with higher energy prices need real solutions. The Bridge Production Act is that solution,” CEA Vice President Kaitlin Hammons said.

“This bill will remove the uncertainty in the Gulf of Mexico federal leasing program caused by years of intentional delays by the Biden Administration. The Gulf of Mexico is one of the least carbon-intensive producing regions in the world. Refusing to make good use of an integral piece of American energy security is irresponsible policy and bad for the environment.”

“A price hangover from the highest inflation in 40 years remains, and gas is more expensive today than it was last year, heading toward \$4 a gallon. Higher energy prices increase the price of everything—from groceries to lumber to clothing to appliances—pulling money from our pockets and boosting inflation. Americans deserve relief at the pump, and everywhere else they shop. Congress is right to step in on behalf of American families and small businesses to ensure we can keep energy prices down and energy security strong.”

Congressman Graves’ bill is the companion to the Senate version introduced by Senators Cassidy and Cruz in July.

