

Questions from Rep. Higgins:

- 1) The midstream sector is critical to ensuring production reaches markets efficiently. What permitting hurdles does midstream infrastructure face under the current regulatory framework, and how could targeted reforms improve the situation?**

Under the current regulatory framework, midstream companies face several permitting and litigation hurdles to development. Currently, a single state can block a proposed interstate natural gas project through the Clean Water Act's Section 401 review process. While FERC already considers water quality issues as a part of its National Environmental Policy Act (NEPA) analysis, court precedent provides that a state agency can deny a Section 401 permit required for a project even if such denial is supported by as little as a single objection to a proposed project's impact on water resources, no matter how minor the impact and regardless of the pipeline's ability to mitigate the same. Moving the Section 401 review process under FERC would create efficiencies and prevent any one state from obstructing interstate commerce.

In addition, endless litigation is a huge impediment to development and construction of midstream infrastructure. To help curb this, Congress can reform judicial review to provide for the courts to fairly review the actions and decisions of government agencies. The best way to accomplish this reform is to alter the evidentiary standard to provide greater durability for federal authorizations and principled guard rails to ensure challenges of the authorization are based on evidence, not harmless gaps in the administrative process. This would allow a challenge to be successful only if its proponent is able to present clear and convincing evidence that a permit authorization was improper. Otherwise, the authorization should stand.

Moreover, NEPA is one of the most frequently litigated procedural statutes and is wrongly being used to delay, deny, and cancel energy infrastructure. To prevent NEPA from being weaponized to block energy projects, Congress can make clear that NEPA is a purely procedural statute that grants courts no remedial authority other than to require additional disclosure.

- 2) BOEM has relied on speculative greenhouse gas modeling and the flawed Social Cost of Greenhouse Gases metric to justify limiting lease sales. Given that U.S. Gulf production has one of the lowest carbon intensities globally, does BOEM's approach accurately reflect the comparative emissions benefits of domestic offshore oil and gas production versus foreign imports?**

BOEM's approach of relying on speculative greenhouse gas modeling to limit lease sales does not accurately reflect the comparative emissions benefits of domestic offshore oil and gas production versus foreign production. The U.S. Gulf produces some of the lowest carbon-intensity barrels in the world, a particularly important attribute for our exporters.

Wood Mackenzie estimates the average intensity in the U.S. Gulf to be 7.4 tons of carbon dioxide equivalent per thousand barrels of oil equivalent (tCO₂e/kboe) in 2023, while the global average for deep and ultra-deepwater fields is 14. Moreover, a study by ICF International, commissioned by the National Ocean Industries Association (NOIA), found that the U.S. Gulf has a carbon intensity 46 percent lower than the global average outside of the U.S. and Canada, outperforming other nations like Russia, China, and Iran. The report also details how methane emissions are tightly controlled throughout U.S. offshore operations.

Question from Rep Huffman: Is it a part of your business plan to drill or support drilling operations in areas of the Outer Continental Shelf beyond areas where leasing and drilling currently take place? If so, to which states and/or regions do you intend to expand business?

- 1) Williams is the largest midstream service provider in the Gulf with over 2,500 miles of onshore and offshore gathering and transmission pipelines transporting both crude oil and natural gas in the Gulf Coast area. We own and operate oil pipelines capable of safely transporting 660,000 barrels per day of oil from offshore to onshore terminals along the Gulf Coast. We own and operate natural gas gathering pipelines capable of safely transporting 3.15 bcf/d from offshore production sources across the Gulf to our processing plants.

Williams pipelines ensure that U.S. energy resources from the Gulf of America reach key onshore demand centers, reducing net reliance on foreign energy imports and securing domestic energy supply. Our investment in offshore and associated onshore energy infrastructure creates thousands of direct and indirect jobs, supporting skilled labor and stimulating local economies. And, by enabling natural gas exports through liquified natural gas (LNG) facilities, Williams helps the U.S. capitalize on global energy demand, boosting national wealth and trade surpluses.

Our business supports oil and gas producers in the Gulf of America by providing the gathering, processing, and transportation of our nation's resources based on where producers determine reserves exist and connecting to demand centers based on market conditions.