RESTORING ENERGY DOMINANCE: THE PATH TO UNLEASHING AMERICAN OFFSHORE ENERGY

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

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CONTENTS

HOUSE COMMITTEE ON

NATURAL RESOURCES

CHAIRMAN BRUCE WESTERMAN

To: House Committee on Natural Resources Republican Members

From: Natural Resources Committee staff: Rob MacGregor, (Robert.MacGregor@mail.house.gov) x644 & William King (Will.King@mail.house.gov) x5–9297

Date: February 10, 2025

Subject: Oversight Hearing titled "Restoring Energy Dominance: The Path to Unleashing American Offshore Energy"

The Subcommittee on Energy and Mineral Resources will hold an oversight hearing titled *"Restoring Energy Dominance: The Path to Unleashing American Offshore Energy"* on **Tuesday, February 11, 2025, at 10:15 a.m. in 1324 Longworth House Office Building**.

Member offices are requested to notify Lonnie Smith (Lonnie.Smith@mail.house.gov) by 4:30 p.m. on Monday, February 10, 2025, if their Member intends to participate in the hearing.

I. KEY MESSAGES

- Working with President Trump, Congress will unleash American energy to restore national security and lower prices for American families.
- The Biden administration's actions to diminish offshore oil and gas production have endangered long-term supply and threatened American energy independence. The Department of the Interior's (DOI) 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program (2024–2029 Program), was released two years late by the Biden administration and significantly limits offshore oil and gas lease sales, proposing only three potential sales in the Gulf of America (GOA or "the Gulf," formerly the Gulf of Mexico) planning region and no sales in Alaska.
- Reductions in new leasing increase the cost to produce for operators, raising consumer costs, and undermining American energy independence.
- [1]
- Restrictions on domestic offshore drilling push private investment to foreign nations, leading to job losses in the U.S., diminished revenues for Gulf Coast States (GCS), and increased global emissions.[2]
- The GOA Region on the Outer Continental Shelf (OCS) accounts for nearly 14% of total U.S. oil production and supports approximately 370,000 jobs. Its reserves include 26.77 billion barrels of oil and 197 trillion cubic feet of gas from 1,325 oil and gas fields.[3, 4]
- The OCS Alaska Region is believed to contain a potential of 24 billion barrels of undiscovered, extractable oil, with the possibility of 34 billion barrels. The estimated gas potential stands at 126 trillion cubic feet, with the possibility of surpassing 230 trillion cubic feet.[5] Alaska's oil and gas industry supports 69,200 jobs and $5.9 billion in wages, or 16% of all the jobs in the state.[6]
- Congress must act decisively to reverse the Biden administration's regulatory overreach to ensure long-term American energy dominance.

II. WITNESSES

- **Mr. Chett Chiasson**, Executive Director, Greater Lafourche Port Commission, Cut Off, LA
- **Mr. T. Lane Wilson**, Senior Vice President and General Counsel, Williams Companies, Tulsa, OK
- **Mr. Tim Tarpley**, President, Energy Workforce & Technology Council, Houston, TX
- **Ms. Peg Howell**, Founder, Stop Offshore Drilling in the Atlantic (SODA), Volunteer and Spokesperson, Business Alliance for Protecting the Atlantic Coast (BAPAC), Hendersonville, NC [*Minority witness*]

III. BACKGROUND

History of the Offshore Planning Process

Since the inception of the National Outer Continental Shelf (OCS) leasing program in 1980, the Department of the Interior, through the Bureau of Ocean Energy Management (BOEM), has implemented nine offshore oil and gas leasing programs prior to publishing the 2024–2029 Program.[7] On average, each program has historically scheduled about 24 lease sales, with sales regularly occurring twice, and often three times, per year.[8] The first three programs, published in 1980, 1982, and 1987, were particularly robust, averaging 40 scheduled sales each.[9] These sales showcased the vast energy potential of the OCS regions and underscored the nation's commitment to meeting its energy demands while highlighting the economic benefits that coastal states receive from these offshore activities.

Over the past 20 years, offshore oil and gas leasing has generated approximately $129.87 billion in revenue, averaging around $6.49 billion annually.[10] This substantial income stream is pivotal for both federal and state governments, supporting a wide range of public services, infrastructure projects, and conservation initiatives. The Gulf of Mexico Energy Security Act (GOMESA) ensures that funds from offshore development support critical projects across the Gulf States, including hurricane flood protection gates in Louisiana, environmental initiatives in Mississippi like oyster restoration, hurricane protection projects in Texas as well as living shoreline projects for coastal marsh preservation.[11] Alabama benefits from watershed enhancement projects, among other infrastructure improvements, which bolster regional environmental sustainability.[12] Given that these projects were historically made possible by revenue generated from leasing programs with an average of 24 lease sales, a reduction to just 3 lease sales in the 2024–2029 Program threatens to decrease future funding significantly. Depending on market factors like oil prices, this reduction may result in states receiving only a fraction of average annual revenues in future years, posing a substantial challenge to replace such a critical source of funding for government and community initiatives.

The Biden Administration's 2024–2029 Program

The Biden administration's Record of Decision for the 2024–2029 Program, published 18 months after the previous plan *expired*, stipulated an effective date of July 1, 2024.[13] This timing created an unprecedented two-year gap between the 2017–2022 leasing Program and the 2024–2029 Program. This delay guaranteed no offshore oil and gas lease sales in 2024 and now provides a paltry single opportunity for a sale in 2025, which BOEM has stated to committee staff will not occur as planned due to National Environmental Policy Act (NEPA) procedural delays.[14] Additionally, the current plan decreased the number of proposed lease sales from 47 under the first Trump administration to only three under the Biden administration. This massive decrease in lease sales signals regulatory uncertainty regarding the nation's long-term energy strategy.[15] Historically, regular GOA lease sales have significantly contributed to U.S. oil and gas production, bolstered U.S. energy security, and exponentially contributed to the economies of Gulf states.

Coupled with the Biden administration's delay in publishing the 2024–2029 Program, there were additional concerns over other regulations and pending rulemakings, including recent directives to adopt onerous procedures related to the Rice's whale,[16] full removal guidance on infrastructure decommissioning in the Pacific OCS region,[17] updated bonding requirements,[18] novel bid adequacy procedures,[19] and burdensome Council on Environmental Quality (CEQ) NEPA regulations.[20] These misguided actions have exacerbated concerns about the U.S. economy, energy security, and workforce stability. Fortunately, President Trump's Executive Orders (EOs) and Presidential memoranda on energy, particularly the "Regulatory Freeze Pending Review,"[21] halted many of these disruptive policies.

Delayed PEIS for Lease Sale 262

Under the National OCS Oil and Gas Leasing Program, each proposed lease sale undergoes a comprehensive environmental review under NEPA. This process typically involves the preparation of a Programmatic Environmental Impact Statement (PEIS), which evaluates the potential environmental impacts of multiple sales within a region over the program's five-year period. The PEIS informs federal decision-making on access to offshore resources, lease stipulations, and mitigation measures, balancing energy development with environmental protection. However, once the PEIS and associated decisions are finalized, reversing or modifying restrictive policies within them often requires extensive administrative processes and can take years, effectively locking in barriers to development.

The Draft PEIS for GOA oil and gas lease sales in the 2024–2029 five-year program includes a number of obstructionist provisions, with its preferred "Alternative C" posing severe risks to U.S. energy security, economic stability, and environmental stewardship.[22] This alternative restricts vast swaths of Gulf acreage without scientific or legal basis. Among the most concerning elements is the exclusion of millions of acres based on speculative concerns about the Rice's whale. Despite court rulings, such as *Louisiana v. Haaland*, that found BOEM's reliance on unverified acoustic data and vague distribution models insufficient, the agency continues to press forward with these exclusions. Furthermore, Rice's whales are largely confined to the De Soto Canyon area, and existing lease stipulations have proven effective in managing risks without broad exclusions. For comparison, the De Soto Canyon area is around 237,000 acres, a region 97.85% smaller than the proposed 11 million acres of critical habitat in the Biden administration's Draft PEIS.[23]

In addition, the Draft PEIS extends its avoidance-based policy to wind energy areas, proposing to block oil and gas leasing altogether in regions identified for potential offshore wind development. This contradicts BOEM's statutory obligation under the Outer Continental Shelf Lands Act (OCSLA) to balance multiple uses of the OCS. Historically, conflicts between offshore uses, whether for oil, gas, or wind energy, have been effectively managed through stipulations and lease conditions. However, "Alternative C" abandons this balanced, case-by-case approach, opting instead for unnecessary exclusion zones. The fact that President Trump's Presidential memorandum [24] temporarily withdrew all OCS areas from wind leasing underscores the absurdity of blocking oil and gas leasing in these same areas based on speculative future wind projects that may not materialize.

The Draft PEIS also targets significant sediment resource areas, proposing blanket exclusions rather than allowing for managed, mitigated operations. BOEM's past analyses have demonstrated that sediment resources obtained for coastal restoration and resiliency can be protected through mitigation measures such as Notices to Lessees (NTLs) and operational restrictions on bottom-disturbing activities. However, the Draft PEIS fails to justify why mitigation is deemed inadequate, instead resorting to wholesale exclusions that undermine oil and gas development and sediment management efforts.

These exclusionary measures are compounded by flawed greenhouse gas (GHG) analyses that inflate the projected impacts of leasing while ignoring the global benefits of GOA oil and gas production. GOA operations have some of the lowest carbon intensity in the world, displacing higher-emission foreign imports and enhancing U.S. and global environmental performance.[25] Yet, BOEM relies on speculative and unverified foreign GHG models to justify restrictions while improperly incorporating the discredited social cost of greenhouse gases (SC-GHG) metric, an approach criticized in President Trump's "Unleashing American Energy" Executive Order 14154.[26] The EO identifies SC-GHG as a politicized, empirically flawed tool that should not influence agency decision-making.

BOEM's approach threatens to devastate investment in the Gulf, driving operators to regions of the world with less stringent environmental protections and fewer regulatory obstacles. With the Gulf currently producing 1.9 million barrels of oil equivalent per day and supporting hundreds of thousands of jobs, these policies risk undermining energy independence, national security, and economic growth. Congress and stakeholders must hold BOEM accountable to OCSLA mandates and demand immediate adoption of "Alternative B" [27] as the preferred alternative. Alternative B provides the necessary flexibility for safe, responsible offshore development while maintaining robust environmental safeguards. Anything less would be a deliberate abdication of BOEM's duty to support America's energy needs and prosperity.

Biological Opinion in Jeopardy

Under Section 7 of the Endangered Species Act (ESA), a Biological Opinion (BiOp) is the result of a formal consultation process designed to assess whether a federal action is likely to jeopardize the continued existence of a listed species or result in

the destruction or adverse modification of designated critical habitat.[28] The BiOp informs an Incidental Take Statement (ITS), authorizing limited, non-intentional harm ("take") to protected species under specific conditions, which federal agencies and project operators must follow to maintain compliance with the ESA.

In *Sierra Club v. National Marine Fisheries Service,* the U.S. District Court for the District of Maryland found that the 2020 BiOp on Federally Regulated Oil and Gas Program Activities in the GOA violated both the Administrative Procedure Act (APA)[29] and Section 7 of the Endangered Species Act (ESA).[30] As a result, the court ordered the vacatur of the BiOp, initially set to take effect on December 20, 2024, but later extended vacatur to May 21, 2025, to allow time for the National Marine Fisheries Service (NMFS) to complete a revised BiOp.

This ruling came in response to litigation led by radical environmental groups, with the court determining that NMFS had "underestimated" risks to endangered species, including the Rice's whale, a species recently reclassified under the ESA. The vacatur of the BiOp creates regulatory and operational uncertainty for the GOA's oil and gas industry, as it nullifies the programmatic ESA protections used by agencies such as BOEM and the Bureau of Safety and Environmental Enforcement to streamline permitting processes. Though NMFS is working on a revised BiOp, its release is unlikely to prevent further lawsuits, setting the stage for protracted legal battles that will create chaotic crises across offshore operations.

The stakes for the U.S. energy sector could not be higher. If a new BiOp is vacated again or delayed by litigation, thousands of permits could face indefinite paralysis. In that scenario, operators might be forced into functionally impossible individualized ESA consultations for each new permit or operational plan, a process that NMFS and BOEM have already deemed infeasible themselves, for such a high-volume industry.

Adding to the pressures mentioned above, BOEM's recent Draft PEIS proposes mitigation measures like 10-knot speed limits, night travel prohibitions, and vessel spotter requirements that would create insurmountable logistical challenges for operators. While these measures target oil and gas operations under the guise of species protection, other industries face no comparable restrictions.[31] Congress must act decisively to curb this regulatory overreach and restore a balance that supports both environmental stewardship and the energy security the nation depends upon. Without immediate intervention, this manufactured emergency will drive operators from the Gulf, devastate American jobs, and increase reliance on high-emission foreign oil, an outcome that undermines U.S. competitiveness and global emissions goals alike.

Source: NOAA, NMFS 2024

The expanded proposed critical habitat area shown left bisects the length of the Central and Western Gulf of America, putting an active and prolific energy producing area off-limits with extreme mitigation measures outside of the original habitat, which was almost entirely in the Eastern Planning Area shown above. **Source: BOEM. 2024**

Biden's 625 Million Acre Offshore Ban

The Biden administration's January 6, 2025, withdrawal of 625 million acres of the OCS—spanning the Atlantic, Pacific, GOA, and northern Bering Sea—represents one of the most brazen retreats from long-term American energy security in U.S. history. Under the pretense of environmental protection, this withdrawal abuses Section 12(a) of OCSLA, bypassing Congress and public input to impose a sweeping, indefinite oil and gas leasing ban. This action locks away some of the nation's most resource-rich areas, crippling an offshore energy sector that has delivered nearly 20% of America's crude oil production and generated hundreds of billions in revenues for federal and state governments. It betrays workers, communities, and industries that depend on energy development, all while emboldening OPEC, Russia, and China to exploit America's self-imposed weakness. By cutting off

opportunities for future leasing, the withdrawal prevents coastal states from capitalizing on their energy potential, depriving them of future revenues and jobs. The House Committee on Natural Resources demanded full transparency from the Biden administration on the political motivations and economic damage behind this order.[32]

In response, President Trump issued an Executive Order on January 20, 2025, immediately rescinding this disastrous withdrawal and restoring access to America's offshore resources.[33] Yet legal battles are likely to follow, as activist courts and radical environmental groups will undoubtedly seek to reinstate President Biden's withdrawal. Courts have previously questioned whether Section 12(a) permits a president to revoke another's withdrawal, raising the urgent need for congressional intervention to limit such unilateral authority.

In the 119th Congress, Representatives Higgins (R–LA) and Hunt (R–TX) have introduced H.R. 513 which legislatively rescinds President Biden's recent offshore withdrawals. The bill revokes all presidential leasing bans except for the 2020 Trump withdrawals, limits any future withdrawals to 150,000 acres or 26 lease blocks (contiguous or non-contiguous), and caps cumulative withdrawals at 500,000 acres without congressional approval. It also establishes a 20-year sunset on withdrawals, mandates geological, economic, and national security assessments for new restrictions, gives Congress the authority to review and overturn such actions, and requires that no withdrawal contradict an approved Five-Year Offshore Oil and Gas Leasing Program.[34]

The Gulf of Mexico Energy Security Act and Consequences of Limited Oil and Gas Leasing for States

The 2024–2029 Program delay, failure to plan a sale in 2024, and stalled environmental reviews for sales in 2025 will have wide-ranging long-term impacts on Gulf Coast states and their coastal communities. Limiting OCS leasing reduces jobs, contracts, and employment opportunities, particularly in states like Alabama, Louisiana, Mississippi, and Texas, which has a cascading effect on local economies in terms of lost wages, tax revenues, sales realized, and GDP.[35]

GOMESA[36] provides critical revenues to energy-producing states in the GOA region, directly stemming from offshore leasing and production. These revenues support vital initiatives such as hurricane preparedness, coastal restoration, infrastructure improvements, flood planning, and other essential projects. Of note, $353,600,000 has been disbursed from GOMESA to the Gulf states for Fiscal Year (FY) 2024.[37]

An Energy and Mineral Resources Subcommittee oversight hearing last year warned that with the historically low lease sale offerings, these revenues would begin to diminish, leading to shortfalls in the future.[38] While royalty revenue remains strong, partially due to higher oil and gas prices and more regular lease offerings that occurred in the past, the Office of Natural Resources Revenue (ONRR) has reported the amounts disbursed to the Treasury from all GOA leases were $9.597 billion in FY 2022, $6.011 billion in FY 2023, and $5.355 billion in FY 2024, demonstrating a disturbing downward trend.

Given that the average life cycle of an offshore oil and gas well is between 20 and 40 years, the current lapse in lease offerings will potentially lead to royalty revenue declines in the medium to long term and will diminish bonus bids from the lease sales themselves in the short term. The FY 2024 GOMESA disbursements by state were: Alabama, $49,800,000; Louisiana, $156,300,000; Mississippi, $51,900,000; and Texas, $95,600,000.[39] Without new lease sales and the associated revenue, states will face significant challenges in funding priority initiatives that ensure their communities' resilience and preparedness. During FY 2023, ONRR disbursed nearly $870 million to the U.S. Treasury from GOMESA-eligible bonuses, rentals, and royalties in the GOA. In FY 2024 those disbursements dropped to $859 million.[40]

GOMESA Disbursements to States/CPSs and the LWCF State Grant Program, FY2023-FY2024
($ millions)

Year of Disbursement	Alabama	Louisiana	Mississippi	Texas	Subtotal State Revenue	LWCF State Program	Total Revenue Shared
FY2023	49.7	156.2	51.8	95.5	**353.2**	117.9	**471.1**
FY2024	49.8	156.3	51.9	95.6	**353.6**	117.9	**471.5**

Source: *Congressional Research Service, 2025*

Impacts to Alaska

Under the current leasing schedule, the State of Alaska will not have the opportunity to participate in any federal offshore oil and gas lease sale until at least 2030. Alaskans, including Governor Mike Dunleavy, have expressed deep concern over the Biden administration's 2024–2029 Program for offshore oil and gas leasing, which notably excludes sales in the state over the course of the 2024–2029 Program.[41] This is particularly problematic for jobs in the state. According to McKinley Research, the oil and gas industry supports nearly 70,000 jobs, accounting for 16% of all jobs in the state.[42] In Alaska, one direct oil and gas job supports 15 additional jobs in the state.[43] Additional data shows that every $1 in direct oil and gas wages supports $4 in additional wages in Alaska.[44]

Prior to the publication of the Record of Decision for the 2024–2029 Program, Jerry Moses, Governor Dunleavy's State Director of Federal Affairs, testified in the Energy and Mineral Resources Subcommittee on October 18, 2023, that the Program was a major setback for the state.[45] Alaska is historically reliant on its rich natural resources, particularly the Cook Inlet's natural gas development. This resource is critical for heating homes and powering businesses and serves 60% of the state's residents.[46] Mr. Moses also testified that "the aging fields and lack of new leases are driving up production costs and directly translating into higher consumer prices."[47] Rather than offering new lease opportunities with stipulations tailored to the state's unique needs and environment, BOEM leaves no opportunity to rejuvenate the region with new supply until at least 2030. These restrictive policies contradict the principles of OCSLA, limiting Alaska's ability to meet its energy needs. This leaves many Alaskans facing rising energy bills with uncertainty about how they will heat their homes in harsh winter conditions. Without new supply from Cook Inlet, families and businesses that depend on affordable local energy may increasingly struggle to stay warm and keep the lights on.

Impact on Consumers

The absence of offshore lease sales will have far-reaching and adverse impacts on consumers, particularly in states like Alabama, Louisiana, Mississippi, and Texas where the economy is closely tied to the energy sector. With their extensive refining capacities and numerous energy-related jobs, these states are acutely vulnerable to fluctuations in the availability of oil and gas leases.[48] The direct connection between leasing activity and local economies means that any curtailment in lease offerings can lead to immediate and tangible economic repercussions.

The GOA region alone supports 370,000 offshore-related jobs.[49] Direct jobs in offshore oil and natural gas development pay on average $69,650 a year—29% higher than the national average salary.[50] A downturn in leasing activities results in job losses and reduced wages, leading to a decrease in purchasing power for many families. This, in turn, can have a multiplier effect on local economies, as reduced spending power impacts other sectors such as retail, services, and real estate.

Furthermore, states like Texas and Louisiana are energy producers and significant players in the refining industry. Reducing domestic crude oil production due to fewer lease sales could lead to underutilization of refining capacity, resulting in lost revenues and potentially leading to higher costs for refined products. This could further strain state economies and their ability to fund essential public services, including education, healthcare, and infrastructure development. Pressures on refineries have been felt in the region since the 1980s and additional curtailing of economic opportunity in the region could have dire consequences for what has already been an assault on the industry in the region. As of January 1, 2021, there were 51 refineries located in the Gulf states of Alabama, Florida, Louisiana, Mississippi, and Texas, compared to 113 in 1982.[51]

International Market Dynamics and Domestic Opportunities

International oil producers like Brazil, Guyana, Russia, Saudi Arabia, Venezuela, and Iran are empowered by the U.S. restricting domestic oil and gas development opportunities. These countries benefit from a reduced competitive threat from the U.S., enabling them to reap higher profits. Globally, as countries like Guyana and Brazil discover vast reserves, U.S. operators may shift investments abroad, benefiting economies potentially at odds with U.S. interests. These shifts can inadvertently finance adversaries and impact global trade routes and security. Increased reliance on hostile energy producers jeopardizes global stability by placing vital trade routes—such as the Panama Canal, Strait of Hormuz, Suez Canal, and emerging Arctic shipping lanes—under the influence of nations that weaponize energy for geopolitical leverage. This threatens critical supply chains, inflates costs, and risks severe disruptions to both U.S. and global economic security.[52] The Biden administration's stance, intended to address climate change by limiting domestic production,

deserves severe criticism. Simply put, the U.S. can produce energy cleaner and more efficiently than anywhere else in the world.[53] When we fail to develop our domestic energy resources, American workers, families, and businesses bear the brunt of rising energy costs and lost economic opportunities, as entire industries are pushed elsewhere in search of more favorable conditions. Further, it weakens U.S. economic and national security, handing power to adversaries amid global conflicts and destabilizing key alliances and trade networks.

Republican Solutions to Restore Robust Energy Development Offshore

House Republicans are determined to use the 119th Congress to advance commonsense legislative solutions to restore the United States' energy dominance. Republicans will advance legislative solutions to promote American energy production and work to send them to President Trump's desk.

Republicans continue to fight for consumers by introducing solutions to rebuff the Biden administration's shameful energy policies. H.R. 5616, the BRIDGE Production Act,[54] introduced in the 118th Congress by Rep. Garret Graves (R–LA), contrasts sharply with the former Biden administration's three-sale plan. H.R. 5616 mandates a minimum of 13 offshore lease sales over five years in the GOA and Alaska's Cook Inlet. This legislation enhances energy security and boosts domestic production, presenting a more balanced approach. It ensures timely lease sales, prompt awarding of leases, and offers clear judicial remedies for any litigated lease sales. Additionally, H.R. 1, introduced by Rep. Scalise (R–LA), which passed in the House of Representatives in March 2023, mandates two offshore lease sales annually in both Alaska and the GOA, ensuring long-term certainty in the offshore leasing program.

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OVERSIGHT HEARING ON RESTORING ENERGY DOMINANCE: THE PATH TO UNLEASHING AMERICAN OFFSHORE ENERGY

Tuesday, February 11, 2025
U.S. House of Representatives
Subcommittee on Energy and Mineral Resources
Committee on Natural Resources
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:15 a.m. in Room 1324, Longworth House Office Building, Hon. Pete Stauber [Chairman of the Subcommittee] presiding.

Present: Representatives Stauber, Gosar, Tiffany, Kiggans, Hageman, Ezell, Crank, Begich, Hurd, Westerman; Ansari, Magaziner, Elfreth, Min, Rivas, Dingell, and Velázquez.

Also present: Representative Higgins; Castor, and 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 ask unanimous consent that the gentleman from Louisiana, Mr. Higgins; be allowed to participate in today's hearing; the gentlewoman from Florida, Ms. Castor, be allowed to participate in today's hearing and the gentleman from California, Mr. Levin, be allowed to participate in today's hearing.

Without objection, so ordered.

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. I would like to begin by thanking our witnesses for being here to discuss this important topic.

Today we find ourselves at a critical juncture in America's energy future. Offshore oil and gas production has long been a pillar of our national energy security, supporting jobs, revenues, conservation, and economic growth, yet recent trends paint a troubling picture: in early 2023 Gulf of America production stood at 1.9 million barrels per day. But by November 2024, it had dropped to 1.6 barrels per day, the lowest level in years. This is the result of misguided policies and regulatory uncertainty from the last 4 years that has threatened the future of American energy dominance.

The Biden administration's 2024 through 2029 leasing program slashed planned lease sales from an average of 24 in past programs put forth by both Republican and Democratic administrations,

some of which included 40 or more sales, to just 3 in the Gulf of America and none in Alaska.

Notably, the Biden administration's decision to offer zero lease sales in Alaska jeopardizes the long-term economic stability and energy security of Alaskan citizens who rely on the Cook Inlet gas to heat their homes, where existing gas supplies are projected to run out by 2027 without new development.

This travesty wasn't enough for the Biden administration. In fact, in his final days in office, President Biden locked up 625 million acres, offshore acres, from future leasing, sending a chilling message to long-term investors.

To make matters worse, persistent delays under NEPA, ESA, and MMPA have cast a shadow over the future of offshore development. These regulatory obstacles discourage the capital investment that is essential for sustained production growth. Without immediate reforms, the long-term viability of offshore energy development is at a serious risk.

The consequences are dire. GOMESA revenues, which fund coastal restoration, hurricane protection, and infrastructure have plunged from $9.6 billion in Fiscal Year 2022 to $5.3 billion in Fiscal Year 2024.

Meanwhile, special interest environmental groups have utilized lawfare to vacate the biological opinion, or BiOp, in the Gulf. The BiOp vacatur set for May 2025 will give these special interest groups the ability to endlessly challenge permits and projects in the Gulf. Their goal is clear: to create regulatory conditions so untenable that gulf leasing and production collapses entirely. This would be a major win for radical environmental extremists, one that could drive up energy costs, force layoffs of thousands of workers, and threaten countless families' livelihoods, all for the sake of a single whale species with limited documented presence.

States like Louisiana, Texas, Alabama, and Mississippi are being short-changed, putting critical projects at risk. The American people deserve better. Offshore oil and gas jobs, which pay 29 percent higher than the national average, are at stake. Families in energy-producing communities are feeling the pain of lost job opportunities and lower wages, while consumers face rising prices.

Thankfully, the radical left-wing and energy policies of the Biden administration have come to an end as the American public saw through the lies. They voted for energy dominance, not bureaucratic red tape. And that is exactly what we are going to restore. This Subcommittee will hold BOEM and NMFS and others accountable. We will push for more lease sales, faster permitting, and a return to American energy leadership. It is time to bring common sense back to energy policy and deliver security and prosperity to American workers and families. States and local residents depend on the revenue, the jobs, and affordable, clean, sustainable energy generated by offshore development to sustain their economies and their communities.

I again want to thank the witnesses for joining us today, and I look forward to hearing your testimony.

I now yield to my colleague, Representative Ansari, the Ranking Member, for her opening statement.

STATEMENT OF THE HON. YASSAMIN ANSARI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Ms. ANSARI. Thank you, Chair Stauber, and good morning to you all.

I believe that we can all agree that we need to bring costs down for American families and deliver economic security to the communities that we represent. I see this economic hardship firsthand in Arizona's 3rd district, where families are being squeezed by high costs. Rent, groceries, and yes, energy costs are eating away at our household budgets.

But if we are being serious about achieving this, we need to be honest about what is driving it. The cost-of-living crisis isn't happening because of some imaginary war on oil and gas. If anyone in this room still genuinely believes that more drilling will fix this problem, then we have not been paying attention to the facts and the data.

The fossil fuel market is inherently volatile. Its prices are vulnerable to geopolitical shocks, global weather events, and the whims of other fossil fuel producing nations, including our adversaries, or even our own President's erratic tariff dictates. The United States is already producing more oil than ever, before and this is a point that I want to emphasize, more than any country in history has produced. Republicans' dirty drilling agenda will not make America any more energy dominant, and it will not drive prices down. Yet this industry continues to rake in billions of dollars in taxpayer-funded subsidies and tax breaks, including some that are almost a century old.

Every year, the Federal Government hands at least $15 billion in direct subsidies to big oil, as well as a buffet of tax breaks. Americans are simply not seeing a return on this investment. In 2022 the Federal Government lost $2.1 billion from subsidies to the fossil fuel industry. Continuing to throw money at big oil will only hurt American taxpayers. It is time to seriously reconsider our investments in the energy sector, especially offshore drilling.

Again, if we could drill our way out of the affordability crisis, we would have done so. The answer is not more oil. Offshore drilling, in particular, creates an acute public health crisis. Right off of the Gulf Coast, which is a hot spot for offshore drilling, you can find onshore refineries and what is called cancer alley in Louisiana. Here the cancer risk is nearly 50 times the national average due to chemical plants and oil refineries. It is long past time that we put an end to sacrificing these communities for the sake of industry profit.

And beyond these risks, we cannot have a conversation about offshore drilling without acknowledging the climate crisis. In my home State of Arizona this threat is not some distant, far-off imaginary threat. It is here, it is now, it is getting worse every single year. Extreme heat is straining our infrastructure and driving up energy costs. Prolonged drought is threatening our water supply and agricultural sector. Wildfires are becoming more frequent and more devastating, and I have spent my career fighting for solutions.

As a former Phoenix City councilwoman, I oversaw investments in our electric vehicle industry, which, by the way, had unanimous

bipartisan support. Before that I helped develop the Paris Climate Agreement to ensure global action on climate change. And right now, as the Ranking Member of Energy and Mineral Resources, I will continue that fight by pushing to phase down offshore oil and gas production and scale up clean, affordable, American-made energy.

And that brings me to offshore wind. I have to say it has been baffling to watch my Republican colleagues bend over backwards to attack this industry. President Trump's offshore wind ban isn't just ridiculous, it is self-destructive. He is taking one of the best new ways to provide clean electricity off of the table at a time when our electricity needs are growing for the first time in decades.

This is not just about fighting climate change. This is about building a brand-new industry, being at the forefront of innovation, creating high-wage union jobs for American workers. It is about energy independence, about producing power here at home that is not subject to the whims of foreign dictators or global price shocks. This is a win-win-win-win-win. Offshore wind, among other renewable energy investments, will address the cost-of-living crisis and the climate crisis while building an industry that creates new opportunities for working-class Americans. Remaining beholden to big oil will only keep American taxpayers from a brighter, cleaner energy future.

Thank you, and I yield back.

Mr. STAUBER. Thank you very much. Before I pass it over to the full chair, Representative Westerman, I ask unanimous consent that a letter dated June 2, 2021, to President Joe Biden from Louisiana School of Public Health, which shows that cancer rates in Louisiana's industrial corridor are no higher than the rest of the State.

Without objection, so ordered.

[The information follows:]

June 2, 2021

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20515

Dear Mr. President,

On January 26, 2021, when you addressed the nation from the White House, you referred to the industrial corridor that spans from Baton Rouge to New Orleans, Louisiana as "Cancer Alley." This harmful term creates a dangerously **false** narrative with implications that could negatively impact our state and region for years to come. As Parish Presidents from this region, we respectfully ask that you discontinue the use of three-decade-old false rhetoric that is highly harmful to our state and local economy. As elected leaders of the region, our priority is the health and safety of our residents.

Decades of health data compiled by the Louisiana Tumor Registry, an award-winning data aggregator administered by Louisiana State University's School of Public Health, demonstrates that overall Industrial Corridor cancer rates are no different than those in the rest of the state. Contributing factors for cancer such as high rates of smoking, obesity, physical inactivity, and lack of access to health care resources are more prevalent in Louisiana than in many other states. Cases of cancers attributed to environmental exposure rank near the bottom of this list for Louisianans.

The 2020 County Health Rankings Report issued by the Robert Wood Johnson Foundation corroborates these results. Further, the report demonstrates that parishes in Louisiana's Industrial Corridor actually have **better** overall health outcomes than the rest of Louisiana.

Businesses gravitate to our parishes due to our unique position along the Mississippi River. In addition to river accessibility, our area is home to four Class 1 rail lines, an international airport, and ample natural resources for manufacturing such as natural gas, oil, salt, and sulfur. Companies invest billions of dollars to locate in our parishes. That investment and business operation is the foundation of our parishes' development and continues to be a significant factor in our growth and economic development.

The revenue generated by the industry is crucial to our parishes. In 2019, the oil and gas industry generated more than $4.5 billion in state and local tax revenue, directly impacting our parishes. The chemical industry alone generated nearly $1 billion in taxes and fees for local governments, which was enough to support 40 percent of wages for public school teachers in our state. Collectively, industries in our region generate up to 90 percent of ad valorem taxes and upwards of SO percent of sales tax revenue in our parishes. This tax base supports our education system, law enforcement, and provides critical funding for things such as clean drinking water and flood protection.

In addition to being essential to the nation's energy stability and security, the oil, gas, chemical, and manufacturing industries create more than 100,000 direct jobs throughout Louisiana. These jobs pay an average of $149,000 a year, over three times the national average ($51,000) and more than four times the average in Louisiana ($41,260). With benefits such as health insurance, retirement plans, and paid time off, these jobs create an opportunity for our residents that pay dividends for generations to come.

The United States has some of the most stringent environmental laws in the world. Over the last 30 years, air emissions in Louisiana have decreased by 70 percent. Companies located in our region continue to develop innovative solutions to minimize emissions and reduce their carbon footprint through significant investment in research and development to improve and modernize their processes.

Industrial businesses have a vested interest in contributing to the stability and progress of the communities in which they operate. They and their employees contribute tens of thousands of volunteer hours of charitable work and millions of dollars to philanthropic activities that improve the quality of life of our residents. Quite simply, the chemical, oil and gas, and manufacturing industries enhance our communities.

Your words matter. We ask that you please discontinue using the inaccurate term "Cancer Alley," and we invite you to visit our region to see firsthand the benefits industry has provided to our communities.

We appreciate your review of this information and stand ready to promote South Louisiana's value to the nation and world. Science shows that industry is not the driving force of cancer rates In the river region. Please help us discourage using the term "Cancer Alley" as we work together toward a healthy, sustainable, and innovative future.

Most Respectfully,

Matthew Jewell
St. Charles Parish President

Pete Dufresne
St. James Parish President

Clint Cointment
Ascension Parish President

Mr. STAUBER. Representative, what is that?

OK, I am going to go to my good friend, Representative Huffman, the Ranking Member of the Full Committee.

Representative Huffman.

STATEMENT OF THE HON. JARED HUFFMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. HUFFMAN. Thank you, Mr. Chairman, and good morning, everyone. Welcome to our witnesses.

The Administration and Republicans in Congress have made it abundantly clear that they believe, for some reason that is still not clear at all to me, that we are in an energy crisis, the solution to which is drilling. I think we are in a truth crisis. We are definitely in a constitutional crisis that my friends across the aisle seem perfectly comfortable with, but we are not in an energy crisis.

The United States is currently producing more crude oil than any country ever in the history of the world. President Biden did not try to destroy entire energy sectors; that is what President Trump is doing right now. He has launched a war on offshore wind, which is a real solution to meet our growing electricity demands. It creates jobs. It creates affordable, clean energy. But no. For my Republican friends, the only offshore energy we can consider, apparently, is offshore oil and gas.

You know, another actual crisis that we are in, which my friends continue to ignore, is the one that is devastating communities all over the country, all over the world. It is not a lack of oil. It is the surge in climate-driven disasters like the catastrophic wildfires in California.

You know, fossil fuel is the primary cause of this extreme weather and this planetary crisis. And yet, we continue to lavish this industry with subsidies and special favors, even as they rake in record profits. Even by the most conservative estimates, the fossil fuel industry rakes in $15 billion in direct subsidies from the Federal Government every single year. That includes 13 tax breaks, below-market lease and royalty rates, and government-funded research and development, all on the taxpayer's dime.

So, what do we get in return for this incredible generosity? Well, according to several FTC complaints and class action lawsuits, big oil has been colluding with cartels from countries that pose national security threats to the United States to artificially inflate prices for American consumers.

So, we are here today at another fossil fuel cheerleading hearing because the Republican plan is to ignore things like collusion and price fixing, certainly ignore the climate crisis, and give even more public resources and more special favors to the oil and gas industry under the pretense that this will somehow protect American taxpayers from high prices. This is not a 21st century energy plan. It is a grift.

According to a recent Wall Street Journal article, fossil fuel executives in the U.S. and Saudi Arabia have told the President that they are not interested in boosting oil production. Why? Because they love high prices. High prices mean high profits.

Fossil fuel industry currently holds over 2,000 leases in the Gulf of Mexico, covering 12 million acres; 80 percent of these leases are just sitting there doing nothing, unused. By contrast, the offshore wind industry actually wants to support our growing energy needs. They don't want to put our coastal economies at risk. They won't collude with OPEC and gouge American consumers. They also won't cause environmental disasters. The risks to offshore drilling for our coastal economies and marine ecosystems is staggering. Where you drill, you spill. We have learned this time and again in California and so many other places.

The way I see it, we have a choice ahead of us. We can keep propping up a polluting industry that is rigging the system against everyday Americans in every way it can, killing the planet, befouling our coastal economies and ecosystems every time they have one of their catastrophic disasters and spills, or we can invest in a clean, fair, and secure energy future. I know where I stand. I will keep fighting to protect our oceans, our climate, and our communities.

Thank you, Mr. Chairman, I yield back.

Mr. STAUBER. Thank you very much. Before I go to the Chair of the Full Committee, I ask unanimous consent to insert roll call 420 for H.R. 5376, the Inflation Reduction Act, which was supported by big oil and gas, and not one Republican voted for it. I ask unanimous consent to enter.

Without objection.

[The information follows:]

PARTY Independent

YEA 0

NAY 0

PRESENT 0

NOT-VOTING 0

PARTY Total

YEA 220

NAY 207

PRESENT 0

NOT-VOTING 4

MEMBER Adams

PARTY Democratic

STATE NC

VOTE YEA

MEMBER Aderholt

PARTY Republican

STATE AL

VOTE NAY

MEMBER Aguilar

PARTY Democratic

STATE CA

VOTE YEA

MEMBER Allen

PARTY Republican

STATE GA

VOTE NAY

Mr. STAUBER. Chairman Westerman, you are up for 5 minutes.

STATEMENT OF THE HON. BRUCE WESTERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

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

As we all know, offshore energy is a lifeline to America's energy security, to our economic strength, and our global competitiveness. Today, as we assess solutions to unlock our offshore energy

potential, we are facing some critical questions: the first one, are we prepared to meet the world's rising energy demands; can we outpace global competitors discovering new reserves; and how do we overcome regulatory roadblocks that threaten to sideline our U.S. innovation? These challenges, I believe, demand our full attention as we chart a path to secure America's offshore energy future.

As we all know, the United States possesses vast offshore oil and gas reserves, but ongoing challenges are hindering our ability to fully harness them. In 2023, 8 deepwater discoveries were announced in the Gulf of Mexico, including significant finds by Talos Energy, Hess, and Murphy Oil. While these discoveries are encouraging, investment and exploration continues to face regulatory headwinds. In the past 12 months the Gulf only saw 3 discoveries, which is a sharp decline from the previous year. This slowdown is further exacerbated by our current Federal 5-year leasing program, which now includes only three lease sales between 2025 and 2029. And that is far short of the historical average in what is needed to sustain long-term energy security. Along with that, countries like China, Namibia, Brazil, and Algeria are moving full steam ahead in offshore development.

A hostile regulatory environment, frivolous lawsuits, endless mandates, all the anti-energy agendas, along with other things have allowed this to happen. It is hurting jobs, it is hurting innovation, and it is hurting revenues that come with offshore energy. We need to bring the investment back to the U.S. We need to restore U.S. energy dominance and prioritize our American energy.

Last year a Federal judge vacated the 2020 Gulf of Mexico biological opinion, or BiOp. Unless a new biopsy is issued by May of this year, new and existing operations and exploration will come screeching to a halt. This ruling, prompted by concerns over alleged impact to the Rice's whale, puts Gulf production jobs and revenues into jeopardy.

Additionally, the lengthy NEPA process has already delayed the first lease sale in the 5-year plan. Lease sale 262, which BOEM has shared, will not be held in 2025 as scheduled. The stakes have never been higher. With global energy demand rising to maintain leadership in offshore energy, we must implement reforms that increase certainty and foster streamlined exploration, innovation, and resource development to secure America's energy future and reaffirm our leadership on the global stage.

While these barriers are significant, they are not insurmountable. I look forward to working with my colleagues on both sides of the aisle and the new administration to fix these issues as quickly as possible.

I hope that our witnesses today will explain how long the process takes to develop offshore energy and how a slowdown right now or a slowdown in the years past creates a dip in the horizon that is almost impossible to make up. Although we are producing a lot of energy right now, that doesn't mean that we are set to be able to produce a lot of energy in the future.

Again, I want to thank Chairman Stauber for holding this hearing. I look forward to hearing the testimony from our witnesses.

And I yield back.

Mr. STAUBER. Thank you, Chairman Westerman. We will now move to introduce our witnesses.

Let me remind the witnesses that under Committee Rules, they must limit their oral statements to 5 minutes, but their entire statement will appear in the hearing record.

To begin your testimony, please press the "talk" button on the microphone.

We use timing lights. When you begin, the light will turn green. When you have 1 minute remaining, the light will turn yellow. And at the end of the 5 minutes, the light will turn red, and I will ask you to please complete your statement.

I will also allow all witnesses to testify before Member questioning.

Our first witness is Mr. Chett Chiasson, and he is the Executive Director at the Greater Lafourche Port Commission, and he is stationed in Cut Off, Louisiana.

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

STATEMENT OF CHETT CHIASSON, EXECUTIVE DIRECTOR, GREATER LAFOURCHE PORT COMMISSION, CUT OFF, LOUISIANA

Mr. CHIASSON. Thank you and good morning, Mr. Chairman and members of the Committee. My name is Chett Chiasson. 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, as well as recent studies that I would like to submit for the record with your approval.

Mr. STAUBER. Without objection.

Mr. CHIASSON. Thank you.

I applaud the Committee for holding this hearing today on restoring energy dominance. I also want to recognize the continued efforts of our Congressman, Majority Leader Steve Scalise, on a host of issues, but particularly in the context of advocating for U.S. energy production, as well as recognizing the members of this Committee for their advocacy of domestic offshore energy production over the years. Many members of this Committee and others in Congress have visited Port Fourchon, and we encourage you to continue your visits.

Truly, one must see this hub of U.S. energy activity to fully appreciate the scope of domestic energy exploration and production that benefits every corner of our country and its economy. What is key to unleashing American offshore energy is that policymakers must view energy policy over a continuum, with impacts lasting decades, far longer than any one Congress or presidential administration. This requires instilling a level of certainty in the Federal regulatory process, certainty that can be relied upon by industry participants over a broad sector of our economy and by local governments such as Port Fourchon in order to make financial decisions today which will come to fruition decades after those decisions are made.

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. Everything we do at Port Fourchon is impacted by Federal and State policies. Whether it is related to offshore energy production, environmental protection, or other matters, we actively 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 with respect to these policies. The issue of lease sales and the development of a 5-year plan for Gulf of America 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 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 revenues and expenditures.

A BOEM 5-year plan with a guaranteed number of lease sales and at a frequency to provide investments in American energy is the best indicator for us as to where Gulf energy activity will head in the near future. The recent API study, which I submit for the record, has detailed economic data supporting this.

Next, part and parcel to the concept of certainty on lease sales are two other points: first, certainty on Federal permitting over the vast array of matters which require permitting; and second, certainty on the timely delivery of infrastructure projects that support U.S. energy activities.

I applaud this Committee and others in Congress for your recent efforts on permit reform. But at its core, it must incorporate the notions of certainty and accountability: certainty to provide those involved in domestic energy production with the ability to make large financial investments; and accountability on the part of the Federal agencies that have a role in permitting to deliver timely, rational, and legally sustainable decisions that are based upon the underlying goals of the statutes that they administer.

Additionally, uncertainty in the industry due to poor policy causes business decisions to be made that impact the U.S.'s ability to explore and produce energy. According to a report by Westwood Global Energy, U.S. Gulf rig availability and utilization has plummeted due to the competitive disadvantage created by poor policy decisions. These decisions have long-lasting impacts on our ability to provide energy to our Nation.

Furthermore, timely approval of infrastructure projects or Federal decisions impact ongoing operations in support of energy activities are also important to unleashing American offshore energy. Port Fourchon has been seeking approval from the Corps of Engineers since 2016 to deepen its Federal channel from an authorized depth of –24 feet to –30 feet. We have spent nearly 10 years in this project. We received a congressional authorization in 2020, yet we are still awaiting final Corps approval in order to begin dredging. And this is a project which has broad support due to its environmental restoration features. While I realize dredging and other infrastructure-related projects are largely outside of this Committee's purview, from my vantage point, delivery of such

projects are just as important to securing American energy dominance.

The final issue that I would like to mention are the impacts of regulatory interpretations on activities currently underway. The current Rice's whale issue 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 remarks. Thank you for your time today.

[The prepared statement of Mr. Chiasson follows:]

PREPARED STATEMENT OF CHETT CHIASSON, MPA, EXECUTIVE DIRECTOR OF THE GREATER LAFOURCHE PORT COMMISSION

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 Chairman of the Board of Directors of the American Association of Port Authorities, Chairman of the Board of Directors of the Gulf Ports Association, 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—soon to be Gulf of America—near the mouth of Bayou Lafourche, and is the only Louisiana port directly on the Gulf. 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, 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, and roughly 45% of all shallow water rigs in the Gulf. 80% of all Gulf oil now comes from deepwater Gulf of America 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 on average 360,000 U.S. jobs, $30.9 billion in Gross Domestic Product impact, and more than $7 billion annually in government revenues. Gulf 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 8,000 direct jobs in the Houma-Thibodaux Metropolitan Statistical Area. Eight out of the top ten tax payers in Lafourche Parish are either a tenant of the Port or otherwise operate in the offshore energy sector. The economic activity from Gulf of America 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.

What I believe is key to Unleashing American Offshore Energy is that America's policy makers must view energy policy over a continuum, with impacts lasting many decades, far longer than any one Congress or Presidential Administration. This requires instilling a level of *certainty* in the federal regulatory process, certainty that can be relied upon by industry participants over a broad sector of our economy and

by local governments such as Port Fourchon, in order to make financial decisions *today* which will come to fruition *decades* after those decisions are made.

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 at Port Fourchon is impacted by federal and state policies*, whether it's related to offshore energy production, environmental protection or 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 these policies. 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 a 5-year plan for Gulf of America 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 customer's needs, which in turn requires Port Fourchon to anticipate *our* customer's future needs, nearly all of which requires us budgeting for future revenues and expenditures. A BOEM 5 year plan, *with a guaranteed number of lease sales and at a frequency to provide investments in American energy*, is the best indicator for us as to where the Gulf of America energy activity will head in the near future. Two recent studies, one conducted by the American Petroleum Institute (API) and the National Ocean Industries Association (NOIA), and a more recent study by Energy & Industrial Advisory Partners, provide useful comparisons and forecasts regarding the economic impact a 5-Year Program that accounts for only one Gulf of America oil and gas lease every other year, as was the case with the 5 year plan proposed by the Biden Administration, with a 5 year plan as mandated by Congress, which includes two offshore oil and gas lease sales in the Gulf, and semi-annual lease sales in Alaska's Cook Inlet. Conclusions of these reports are as follows:

- Under the current 5-year offshore leasing program, the Gulf of America 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.
- The offshore oil and gas industry is projected to support nearly 362 thousand jobs on average for the forecast years of 2025–2040. The expected increase to two lease sales per year would result in an increase of nearly 32 thousand jobs per year, and result in $1.4 billion per year.
- GDP is expected to increase on average around $2.6 billion per year under the Congressionally imposed leasing program.
- 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. Conversely, an annual increase of approximately $520 million in government revenues is projected under the Congressionally imposed leasing program.

Moving beyond the issue of a 5 year plan and robust lease sales, part and parcel to the concept of certainty on lease sales are two other points—first, *certainty on federal permitting* over the vast array of matters which require permitting, and second, *certainty on the timely delivery of infrastructure projects that support U.S. energy activities*. I applaud this Committee and others in Congress for your recent efforts on "permitting reform." It's a notion that I am sure is easier to contemplate than it is to implement. But at it's core, permit reform must incorporate the notions of *certainty and accountability—certainty* to provide those involved in domestic energy production with the ability to make large financial investments, and *accountability* on part of the federal agencies that have a role in permitting to deliver

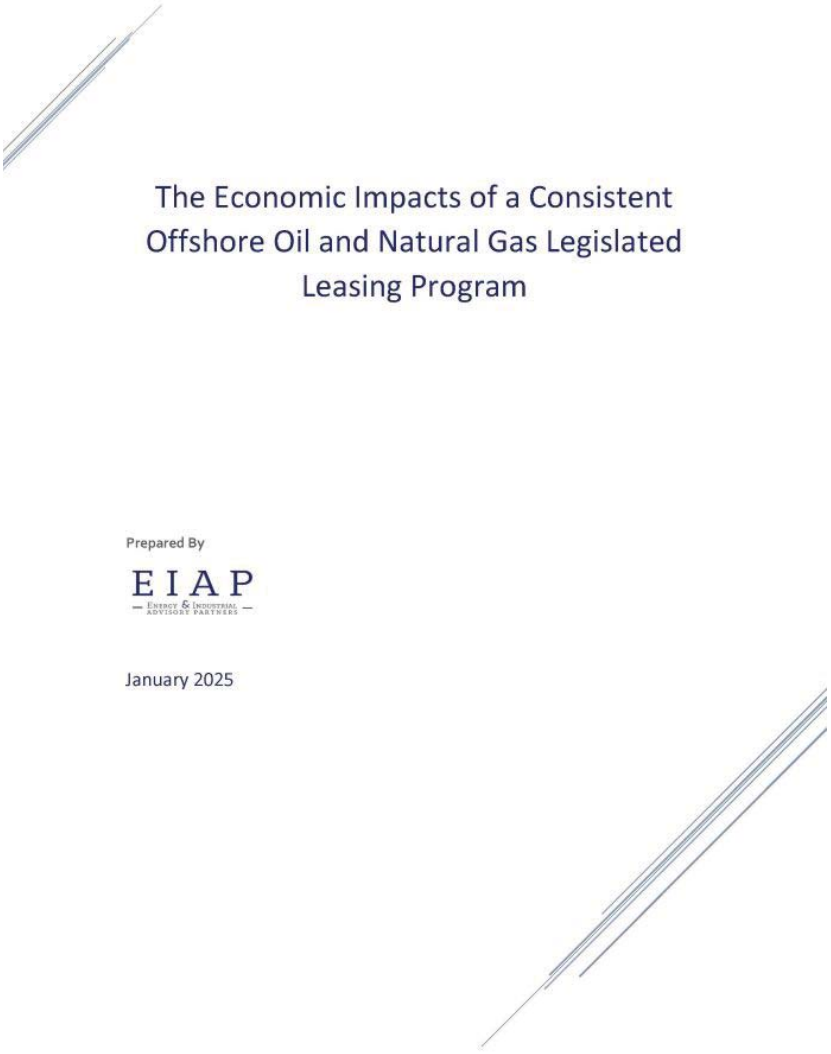
timely, rational and legally sustainable decisions that are based upon the underlying goals of the statutes that they administer.

Uncertainty in the industry due to poor policy causes decisions to be made by industry participants that impact the ability of the U.S. to explore and produce energy. According to a recent report by Westwood Global Energy, which I have submitted for the record, which compares Offshore Rig Counts Globally with the U.S. Gulf, rig availability and utilization in the U.S. has plummeted over the past decade due to the competitive disadvantage crated by poor policy decisions—uncertain and conflicting U.S. policies impair the industry's ability to make long-term investments in the U.S. Gulf. The decisions by U.S. policy makers today have long lasting impacts on our ability to provide energy for our Nation for years to come.

Furthermore, timely approval of infrastructure projects or federal decisions impacting ongoing operations in support of energy activities are just as important to Unleashing American Offshore Energy as are a robust 5-year plan or permitting reform. As an example of the first issue, Port Fourchon has been seeking approval from the Corps of Engineers since 2016 to deepen the federal channel at Fourchon from an authorized depth of –24 feet to –30 feet. We have spent nearly 10 years on this project, we received a Congressional authorization in 2020, yet we are still awaiting final Corps approval in order to begin dredging—and this is a project which has broad local support due to its environmental restoration features. While I realize dredging and other infrastructure-related projects such as roads and bridges are largely outside of this Committee's purview, from my vantage point, literally, delivery of such projects are equally as important to securing American energy dominance.

The final issue that I would like to mention are the impacts of regulatory interpretations on activities currently underway. The current Rice's Whale issue 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, which I do not feel has been the case in this instance.

This concludes my written testimony, again, 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.



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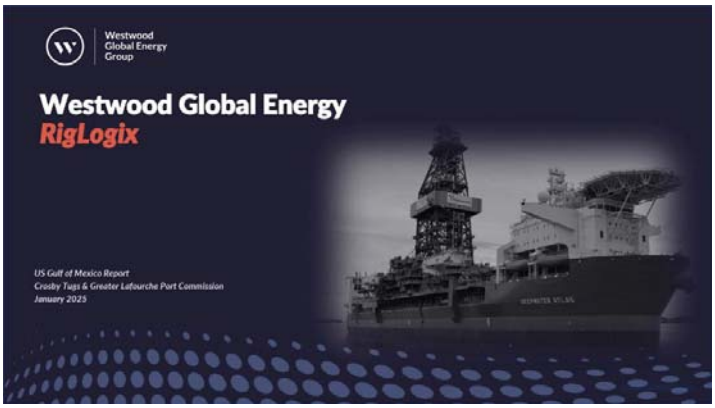

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QUESTIONS SUBMITTED FOR THE RECORD TO CHETT CHIASSON, MPA, EXECUTIVE DIRECTOR AT THE GREATER LAFOURCHE PORT COMMISSION

Questions Submitted by Representative Higgins

Question 1. Port Fourchon is the primary service hub for Gulf of America energy production. Would lifting the GOMESA revenue-sharing cap provide significant benefits to Louisiana's coastal parishes by supporting hurricane protection, coastal restoration, and flood mitigation efforts? Given Louisiana's critical role in offshore energy production, how important is the funding for sustaining our coastal communities and the infrastructure that supports the industry?

Answer. With our tenants serving over 90% of the offshore oil and gas activity in the Gulf, Port Fourchon provides critical infrastructure to facilitate the production that results in the Gulf of Mexico Energy Security Act (GOMESA) funding. Thanks to the revenue sharing paradigm initiated through GOMESA, a portion of the federal revenues generated from this offshore activity can be invested directly into the coastal areas that host the production activities. Eligible projects include hurricane protection, coastal restoration, flood mitigation, and onshore infrastructure.

In fact, GOMESA funding (through Lafourche Parish Government) has been dedicated to restoring the natural infrastructure at Port Fourchon through the Fourchon Beach Repair and Renourishment project. The GOMESA funding for coastal restoration will result in healthier marsh and stronger beaches. These features will strengthen the natural buffer and provide additional protection for our port infrastructure. GOMESA—funded projects also go to coastal protection initiatives that protect the communities and homes of our port's workforce and business partners. Revenue sharing funds from GOMESA are valuable to ensuring the long-term success of our Gulf energy industry.

Given this, Port Fourchon agrees that removing the arbitrary cap on GOMESA revenues would be very beneficial. Other revenue sharing programs, such as for onshore production on federal lands, do not have a cap.

With consideration for budget sequestration, the effective cap on GOMESA revenues means the Gulf Producing States can receive a maximum of approximately $353 million a year. Ironically thanks to the cap, the more revenue produced in the Gulf, the lower percentage is shared with the host states. The cap results in signifi-

cant limitations to revenue sharing. According to information from the Department of Interior, the GOMESA cap prevented $215 million from being shared to the Gulf Producing States after 2023 production.

If those revenues had been shared, then Louisiana and the other Gulf Producing States could have implemented many more projects to protect these coastal communities that are essential to offshore production. These investments can save the federal government money as well, such as when GOMESA-funded projects reduce federal disaster damage claims from hurricanes, for example.

Our working coastal areas, like Port Fourchon, need these funds to improve the long-term economic viability of our offshore energy sector and the communities that support it.

Question 2. The 2020 Biological Opinion governing federally regulated oil and gas activities in the Gulf of America is set to be vacated in May, and any replacement biological opinion is almost certain to face immediate litigation. Given that every permit issued for the Gulf operations relies on an active and legally sufficient Biological Opinion, should Congress consider reforms to the Endangered Species Act and Marine Mammal Protection Act—including judicial review limitations—to prevent repeated legal challenges from creating an indefinite permitting freeze that discourages investment, threatens domestic energy production, and undermines the livelihood of Gulf Coast workers?

Answer. Yes, Congress should consider reforms to the Endangered Species Act (ESA) and Marine Mammal Protection Act (MMPA). Reform is necessary in order to prevent red tape and legal challenges from threatening domestic energy production and the livelihoods of thousands of Gulf Coast workers. Port Fourchon has more than 250 companies that utilize the port as the base of operations. Port Fourchon serves as the foundational base of U.S. energy production in the Gulf. The port and all of our clientele depend upon regulatory and legal certainty and predictability in order to sanction, sustain, and maintain investment in U.S. energy projects. Yet, while the ESA and MMPA serve important roles in protecting and preserving threatened and endangered species on land and in the marine environment, both statutes have been manipulated in ways that do not advance those fundamental goals but instead disrupt U.S. energy production. Through misapplication of the statute and litigation, the ESA and MMPA are continually used to prevent important economic activities, like U.S. offshore energy projects.

The Rice's whale is a great example. As noted by National Marine Fisheries Service on its own website, only "a single Rice's whale was observed in the western Gulf of Mexico off the coast of Texas." Despite only one sighting in 2017, the government entered into a settlement agreement with opponents of offshore energy development that imposed substantial restrictions across vast areas of the Gulf of America that could have been economically devastating to our port and our clients. This settlement was crafted behind closed doors without input from experts, stakeholders, or Congress. This kind of backroom policymaking ignores the best available science. This settlement would have placed onerous restrictions on vessels where there is a negligible or even no presence of the whale. Fortunately, a federal court in Louisiana struck down the settlement agreement, making the important point that "The process followed here looks more like a weaponization of the Endangered Species Act than the collaborative, reasoned approach prescribed by the applicable laws and regulations. Even when an agency's decision is based on political considerations, it is not excused from justifying the position—particularly when the decision is a pivot from a prior policy. Failure to do so leads to 'surprise switcheroo' by an agency against regulated entities."

Reform of the ESA and MMPA is essential to avoid a repeat of this situation. Without reform, investment in U.S. projects will continue to be at risk, because it only takes one court or one regulatory decision to effectively shut down projects or operations. We encourage Congress to work together to reform these laws so that environmental goals are reasonably achieved without the threat of damaging the Gulf Coast economy and the thousands of families that depend upon offshore energy for employment.

Questions Submitted by Representative Huffman

Question 1. Is it 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?

Answer. The Greater Lafourche Port Commission is a public port that provides logistical support to offshore energy exploration and development. The areas that we service are the entire U.S. Central and Western Gulf of America, which spans roughly from the western boundary of Alabama to the western border of the Texas coast, out to the 200 mile territorial limit in the Gulf. The only recent expansion of the area in which we service occurred in 2013 when President Barack Obama signed into law the U.S. Mexico Transboundary Agreement. This Treaty specifically clarified and facilitated the ability for both U.S. and Mexican companies to conduct energy activities in the area of the Gulf spanning the two Countries' international borders. The first lease sale in this area occurred under President Obama, and the area has been included in subsequent lease sales since that time. Port Fourchon services projects located in these waters.

With regard to the Eastern Gulf of America, as the Ranking Member is aware, energy development in that region is subject to a statutory prohibition, coupled with an Executive Order signed by President Trump in his first term of office. President Biden expanded the areas restricted to offshore energy development during his term. Thus, while we support any offshore energy development, including renewable energy, in the entire Gulf of America, the decision to expand areas of the Gulf available to energy development is beyond our purview. However, should additional areas of the Gulf open up for any type of energy development, including the Eastern Gulf, service to those areas will be provided by Port Fourchon.

Mr. STAUBER. Thank you very much. Our next witness is Mr. T. Lane Wilson, and he is the Senior Vice President and General Counsel at Williams Companies, and he is stationed in Tulsa, Oklahoma.

Mr. Wilson, you are now recognized for 5 minutes. Welcome.

STATEMENT OF T. LANE WILSON, SENIOR VICE PRESIDENT AND GENERAL COUNSEL, WILLIAMS COMPANIES, TULSA, OKLAHOMA

Mr. WILSON. Good morning, Chairman Stauber, Ranking Member Ansari, and members of the Subcommittee. My name is Lane Wilson, and I am a Senior Vice President and the General Counsel at Williams. I am honored to be invited to discuss ways we can work together to unleash American energy.

Williams is the largest midstream service provider in the Gulf of America, 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, and we own and operate natural gas gathering lines capable of moving 3.15 BCF per day from offshore production across the Gulf to our processing plants.

We also own and operate significant assets in the Gulf Coast States. For example, Gulfstream is an interstate natural gas pipeline that safely and reliably transports gas from the Mobile, Alabama area across the Gulf some 745 miles to the Tampa, Florida area to serve Florida's rapidly growing residential power generation needs.

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 to liquefied natural gas facilities, Williams helps the U.S. capitalize on global energy demand, boosting national wealth and trade surpluses.

Pipelines are the safest, cleanest, and most cost-efficient means of transporting natural gas, and demand for natural gas is only increasing. Lower 48 gas demand growth driven by LNG exports, electrification, data center demand, and overall increases in energy consumption is expected to more than double by 2030, with an additional 13.2 BCF per day of demand expected from 2024 through 2030. Electricity demand is experiencing 10 times faster growth per year this decade than what was seen in previous decades, driven by electrification, the energy needs of artificial intelligence, and the emergence of new, large-load data centers. U.S. data center power demand is expected to more than double by 2030, requiring as much as four BCF per day of incremental gas demand.

Americans cannot rely on intermittent sources of energy like wind and solar to meet demand during peak hours or extended weather events. The U.S. saw record-high natural gas demand in 2023, even as wind and solar grew. Reliable natural gas is needed for peak days and to back up intermittent resources. The U.S. has the abundant energy resources to meet this need, but a Byzantine permitting system, coupled with fervent opposition to human advancement from activist groups makes building infrastructure nearly impossible.

To ensure America's long-term competitiveness, Congress must prioritize permitting reform. America's permitting system is labyrinthian by any reasonable measure, requiring projects to receive duplicative approvals from dozens of Federal and State agencies. Beyond the permitting process, there are also significant litigation risks from groups weaponizing regulatory loopholes and misusing environmental statutes to delay and cancel projects.

There are three key steps to streamlining the regulatory process that Congress can take to help ensure that we have the infrastructure needed to meet growing energy demands: first, policymakers need to empower FERC and bring the Clean Water Act 401 review into the FERC NEPA process; second, Congress needs to reform judicial review, empowering the courts to fairly review the actions and decisions of government agencies; and lastly, but equally as important, is fixing NEPA to limit litigation to the purpose of that statute.

Pipelines power America, and our country and its citizens have received the benefits of this large-scale infrastructure for years. Real permitting reform will put the U.S. on a path to meet the ever-growing need for energy and a path to achieve human flourishing. The changes will cost taxpayers nothing, while paying a world of dividends.

Mr. Chairman, Madam Ranking Member, and distinguished members of the Committee, this concludes my prepared statement. I welcome your questions. Thank you.

[The prepared statement of Mr. Wilson follows:]

PREPARED STATEMENT OF T. LANE WILSON,
SR. VICE PRESIDENT AND GENERAL COUNSEL

Thank you for holding this important Hearing in the U.S. House Natural Resources Subcommittee on Energy & Mineral Resources on the importance of *"Restoring Energy Dominance: The Path to Unleashing American Offshore Energy."*

Offshore U.S. Gulf of America production is one of the safest, most secure, and resilient sources of domestic energy. Williams' network of pipelines plays a critical

role in ensuring uninterrupted energy delivery, even during supply disruptions caused by international conflicts. By efficiently transporting offshore energy resources and remaining committed to infrastructure build-out, we enhance long-term energy self-sufficiency by providing American companies, manufacturers, and exporters access to a stable, American oil and natural gas.

Notably, the Gulf has long-been one of America's most prolific providers of natural gas resources. In FY 2023, it generated 795 billion cubic feet of natural gas while also generating 674 million barrels of oil.[1] According to the U.S. Energy Information Administration (EIA), U.S. Gulf production accounts for nearly 15 percent of total U.S. crude and nearly five percent of total U.S. dry natural gas production. In fact, if the Gulf were a country, it would be one of the top 12 producing nations."[2]

Further, 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 (tC02e/kboe) in 2023, while the global average for deep and ultra-deepwater fields is 14.[3] 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.

Outer Continental Shelf (OCS) oil and natural gas activities generate significant revenue for the U.S. Treasury and Gulf-producing states from lease sales, royalties on production, and rental fees. In 2024 alone, this generated $6.42 billion, funds distributed to the U.S. Treasury, Gulf-producing states, counties, and parishes to help address the maintenance backlog on federal lands and fund restoration programs. Revenues derived from offshore oil and gas activity provide the second largest contribution to the General Fund of the U.S. Treasury, behind the American taxpayer, which benefits all Americans through funding of daily operations of the U.S. Government.[4]

Williams in the Gulf

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 owns and operates significant natural gas gathering and processing assets around the Gulf Coast states of Texas, Louisiana, and Alabama, including onshore natural gas liquids fractionation assets. Williams also owns and operates four deepwater crude oil pipelines and owns production platforms serving the deepwater in the Gulf.[5]

Williams has a history of successfully developing offshore gathering systems, including oil and gas gathering systems for the Whale and Perdido platforms, the latter of which is the world's deepest direct vertical access spar.

Another example is our 745-mile Gulfstream pipeline, an interstate natural gas pipeline that safely and reliably transports gas from the Mobile, Alabama area across the Gulf some 745-miles to the Tampa, Florida area to serve Florida's rapidly growing residential power generation needs. The pipeline system can move approximately 1.3 billion cubic feet per day to serve utilities, Local Distribution Companies (LDCs), and municipal users. The system is a joint venture with Williams functioning as the system operator.

We have ownership in two platforms in the Gulf. Devil's Tower, which is capable of safely handling 60,000 b/d of oil and 110 MMcf/d of natural gas, and Gulfstar, which is capable of handling 80,000 b/d of oil and 172 MMcf/d of natural gas. As a demonstration of our commitment to safety and reliability, Williams has a one-

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[1] https://www.offshore-energy.biz/us-coutt-forestalls-threat-of-oi1-gas-shutdown-in-gulf-of-mexico-with-a-reprieve/

[2] https://www.eia.gov/special/gulf__of__mexico/

[3] "Understanding the US GoM's emissions advantage" Wood Mackenzie Insight June 2023

[4] https://revenuedata.doi.gov/explore/?dataType=Revenue&location=NFpercent2CNApercent2CGMR&mapLevel=State&offshoreRegions=true&period=Calendarpercent20Year&year=2023

[5] https://www.wi11iams.com/pipeline/gulf-of-mexico-gathering-processing/

of-a-kind Pipeline Emergency Repair Kit (PERK), a fully stocked warehouse designed to shorten time and costs of post-hurricane pipeline repairs.

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.

Williams is committed to safety and reliability. Williams takes action to comply with all applicable laws and regulations related to our pipelines. We continually monitor regulatory changes and industry events, and our plants are monitored 24 hours each day and seven days a week by highly skilled operations personnel using sophisticated technology.

To support the Gulf communities, Williams' local and community grant and giving in Gulf states, including employees giving their hard-earned money to support the communities where they live, totaled more than $3.6 million for calendar year 2024.

Pipelines are Essential, Pipelines Power America

Pipelines are the safest, cleanest, and most cost-efficient means of transporting energy. The U.S. Department of Transportation recognizes that pipelines are essential infrastructure capable of moving greater volumes of energy resources than any other mode of transportation.

Oil and natural gas account for 74 percent of our nation's energy mix—nearly all of that product is transported via pipeline.[6]

Regions of the country where pipelines are more abundant see lower energy costs, and alternatively, it is no coincidence that regions with higher energy costs are known for overly aggressive permitting regimes or abuses of the permitting process to block or cancel interstate natural gas pipeline projects.

During peak demand, New England experiences extremely high price spikes compared to other areas of the country. For example, gas prices have spiked numerous times during winter months in New England (as high as $75 per MMBtu) in the past decade, while prices have remained moderate and more stable in Southwest Pennsylvania (consistently under $5 per MMBtu), where abundant supplies have adequate pipeline outlets to serve peak demand.

Growth in U.S. natural gas is driven by LNG exports, data center growth, electrification, and a general increase in energy consumption. Lower–48 gas demand growth driven by LNG exports is expected to more than double by 2030, with an additional 13.2 Bcf/d of growth expected from 2024–2030.[7]

Electricity demand is also experiencing 10 times faster growth per year this decade than what was seen in previous decades, driven by the energy needs of artificial intelligence and the emergence of new, large-load data centers. U.S. data center power demand is expected to more than double from about 22 GW in 2023 to 45 GW in 2030 per S&P base case, requiring as much as 4 Bcf/d of incremental gas demand. It is notable, however, that this new technology's demand needs could be underestimated. If combined-cycle gas-fired generation provided 100 percent of the electricity for the range of forecasts already presented, it could translate into incremental U.S. demand for power as high as 12 Bcf/day.

This growing demand cannot be met by intermittent resources such as wind and solar. In fact, excluding this forecasted growth, to replace the energy supplied by natural gas to New York's homes and businesses in February 2023 alone, New York would need 285 times more utility scale solar installations than the state had in 2022 and enough solar panels to cover 549,000 football fields. And it would require $1 trillion in solar construction costs.[8]

Additionally, Americans cannot rely on intermittent wind and solar to meet demand during peak hours or extended weather events. The U.S. saw record high power demand in 2023, averaging 35.2 Bcf/d (2.1 Bcf/d higher than in 2022), even as wind and solar grew. And peak day demand for natural gas hit a record high of 54.8 Bcf/d in August of 2024, highlighting the continued need for reliable natural gas to meet peak day needs and back up intermittent resources.

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[6] https://www.eia.gov/energyexplained/us-energv-facts/

[7] Source: Wood Mackenzie North America Gas, Investment Horizon Outlook, November 2024.

[8] Williams' analysis utilizing data from S&P Global Platts, US Energy Information Administration, Environmental Protection Agency and National Renewable Energy Laboratory. To replace the natural gas Btus that NY state's residential/commercial customers used on 02/3/2023, it would take 285× more utility scale solar installations than the state had in 2022.

Peak day gas demand for power generation is expected to increase across all major Independent System Operators (ISO), due to the growth in electrification, artificial intelligence (AI), and data center growth.

America Needs More Pipelines to Meet Growing Demands and Ensure National Security

Data centers driving advancements in artificial intelligence will be built overseas if we do not build the critical energy infrastructure required to support their operations here. The U.S. has the abundant energy resources to meet this need, but a byzantine permitting system coupled with fervent opposition to human advancement from activist groups makes building infrastructure unnecessarily challenging. To ensure America's long-term competitiveness, Congress must prioritize permitting reform.

Demand for natural gas has increased 43 percent since 2013, while the capacity of infrastructure to support the demand has only grown 25 percent. Without action, the gap between demand and physical infrastructure will grow as AI tools become more critical to the U.S. in a competitive world marketplace. This gap will continue to impact reliability and affordability and harm American consumers.

It takes our industry about six-to-nine months to build a large natural gas pipeline safely and in a way that has little environmental footprint, but it can take years to get a project approved by government agencies. America's permitting system is labyrinthian by any reasonable measure, requiring projects to receive duplicative approvals from dozens of federal and state agencies.

Beyond the permitting process, there are also significant litigation risks from groups weaponizing regulatory loopholes and misusing environmental statutes to delay and cancel projects. Virtually every pipeline project encounters these costly and time-consuming delays. It has become a feature of the system.

There are three key steps to streamlining the regulatory process that Congress can take to help ensure that we have the infrastructure needed to meet growing energy demands:

1. **Policymakers need to empower the Federal Energy Regulatory Commission (FERC)**. Currently, a single activist state can block a proposed interstate natural gas project, regardless of the benefits it would bring, through an abuse of the Clean Water Act's 401 review process. FERC already considers water quality issues as a part of its National Environmental Policy Act (NEPA) analysis, so bringing the 401 review process under FERC would create efficiencies and prevent any one state from obstructing inter-state commerce.
2. **Congress needs to reform judicial review, providing for the courts to fairly review the actions and decisions of government agencies**, such as the Bureau of Land Management (BLM), the Environmental Protection Agency (EPA), and FERC, to cut back on lawfare that leaves good projects languishing for months, if not years. 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. A challenge should only be successful if its proponent is able to present evidence that establishes clearly and convincingly that a permit authorization was improper. Otherwise, the authorization should stand.
3. **Lastly, but equally as important, is fixing the remedy allowed under the NEPA**, the procedural statute that is wrongly being used to delay, deny, and cancel energy infrastructure. NEPA litigation should be limited to the purpose of the statute—to inform the public. Defects in a NEPA analysis should only result in further disclosures, not in unduly delaying or canceling a project.

These reforms would allow interstate natural gas pipelines, as well as other energy infrastructure, to be built to meet demand. We must come together to ensure the Clean Water Act, NEPA, and judicial review of agency decisions are working for the American people—not preventing progress and competitiveness in the name of politics.

Impediments to Increasing Production and Pipeline Capacity in the Gulf

The lengthy permitting process, changing federal regulations, and legal challenges inject uncertainty and delay pipeline expansions and upgrades needed in the Gulf to keep pace with growing energy demand.

In January 2021, shortly after taking office, the prior Administration issued an Executive Order announcing a moratorium on new oil and gas leases on public lands. The Administration continued to take aggressive action over the past four years to make it harder to produce oil and natural gas on federal lands and waters. By October 2023, E&E News reported that there was a 30 percent decrease in permits issued for new offshore oil and gas wells during the first two years of that Administration, compared to the equivalent period under the first Trump Administration. As the Institute for Energy Research explains, *"Unfavorable policies are deterring companies from making long-term, capital-intensive investments in the US Gulf of Mexico, where almost all US. offshore drilling occurs. The Bureau of Safety and Environmental Enforcement permitted 105 wells in President Biden's first two years, which compares to approving 148 during President Trump's first two years in office and 275 during President Obama's first two years."* [9]

This drop-off in permitting, which bottlenecked the authorization of new offshore projects, was then compounded by the Administration's failure to adequately renew key permits and regulatory documents that are required, at minimum, just to maintain the current level of U.S. offshore production.

In early 2023, the prior Administration failed to renew the U.S. EPA's five-year discharge permit for oil and gas development in the Gulf. This led to a multi-month gap in permit compliance for offshore operators and their drilling contractors, where leaseholders were forced to choose between continuing to drill and produce wells at the risk of violating U.S. law (thus facing hefty, daily fines from EPA), or ceasing all operations and absorbing the significant cost of contracted services standing idle, as well as lost production. This was a pointless and costly regulatory gap that created significant investment and operational uncertainty for the upstream partners on which Williams relies to continuously supply raw hydrocarbons for processing and distribution through our midstream infrastructure.

Then, in December 2023, the prior Administration published its final 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program (Five-Year Plan). The leasing program, which is mandated by Congress to be conducted by the Secretary of Interior through the Outer Continental Shelf Lands Act (OCSLA), is one of the first steps in the offshore resource development process. Issued in five-year intervals, the program defines the terms and schedule of public lease sales in which upstream operators may bid on the rights to develop areas of the OCS that the federal government has determined appropriate via a rigorous environmental review process. Despite the critical role the leasing program plays in ensuring the steady upstream supply of hydrocarbons on which Williams and its customers rely, the Biden Administration delayed finalization of the 2024–2028 plan until December 2023, resulting in an 18-month gap from the previous plan (2017–2022). This was the longest gap without an active offshore leasing program since the program's inception in 1980. Additionally, despite both Democratic and Republican Administrations historically having issued robust programs featuring dozens of lease sales, the Biden Administration's five-year plan included only three sales over five years. This pace is far below the minimum of two sales per year cited by the upstream industry as the 'bare minimum' needed to maintain current levels of offshore production.

Permitting delays aside, the prior Administration actively pursued a politically biased approach to federal policy decisions surrounding energy development that sought to pick winners and losers by favoring non-oil and natural gas energy development on federal lands and waters, despite hydrocarbons being the nation's most reliable and consistent fuel source for over one hundred years. This bias has emboldened environmental activist groups to ramp-up their use of arbitrary and capricious legal challenges to jam the permitting process and cost energy companies, taxpayers, and the federal government millions of dollars in waste per year.

An example of a politically driven approach to federal energy policy is the July 2023 voluntary settlement between the prior Administration and activist groups regarding the Rice's whale. This agreement resulted in the removal of millions of prospective acres from Lease Sale 261 in the Gulf, which was mandated by the Inflation Reduction Act, and implemented new restrictions targeting the offshore oil and gas industry. The restrictions, under the name of mitigation measures and implemented through a Notice to Lessees—or NTL, exclusively targeted the offshore oil and gas industry, included vessel speed restrictions, and banned transit in the expanded habitat areas during dusk, dawn, and other times of low visibility. The Fifth U.S. Circuit Court of Appeals eventually found that the environmental groups lacked standing to challenge the Bureau of Ocean Energy Management (BOEM) from excluding the acres from the Congressionally mandated lease sale and ordered

[9] http://instituteforenergyresearch.org/regulation/200-ways-the-biden-administration-and-democrats-have-made-it-harder-to-produce-oil-gas/

BOEM to hold Lease Sale 261 in the Gulf before the end of the year without additional regulations for Rice's whale.

The politically motivated Stipulated Stay agreement ignored the best science, contravened Congress' explicit directives in enacting the Inflation Reduction Act, and threatened America's energy independence.

A 2024 decision by the U.S. District Court for the District of Maryland to vacate the 2020 Biological Opinion for Gulf of Mexico Oil and Gas Activities (2020 BiOp) inserted risk, bureaucratic bottlenecks, and could halt all oil and natural gas operations in the Gulf, including for Williams.

The BiOp, issued by the U.S. Fish and Wildlife Service and the National Marine Fisheries Service in relation to the Endangered Species Act (ESA), was challenged by environmental groups, and an order to vacate was issued by a Maryland district judge. Eventually, the Court issued an order to stay the order to vacate until May 2025, however this Court decision has injected significant uncertainty into operations in the Gulf.

Additionally, the Biden Administration took numerous actions to make it harder to export U.S. LNG—an important economic driver for Gulf Coast states, as well as an important strategic asset for geopolitical security and lowering global emissions. Notably, the prior Administration banned the transportation of LNG by train, increased the time to review an LNG export permit at the U.S. Department of Energy from seven weeks to 11 months, and eventually halted permitting for LNG export facilities altogether. All these actions are examples of regulatory overreach into the global marketplace for U.S. LNG that created regulatory volatility and economic issues for Gulf states and communities.

If production in the Gulf becomes constrained, needed barrels could be replaced by higher carbon-intensity barrels and there could be a lag in future Gulf development opportunities. In September 2024, during Hurricane Francine, nearly 25 percent of oil and natural gas production in the Gulf was disrupted, causing natural gas prices to rise in Gulf Coast markets. This effect could be exacerbated if regulatory uncertainty continues in the Gulf.

Conclusion: Congress can Provide Much-Needed Certainty for Permitting Projects

Congress can instill certainty and spur increased investment of capital in American energy infrastructure, unleashing a renaissance in American manufacturing and an advancement of national security, all with American energy resources.

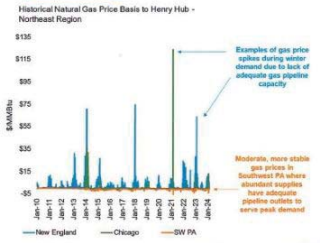
Pipelines power America, and our country and its citizens have received the benefits of this large-scale infrastructure for years. We should not take this historical benefit for granted and let competing countries rapidly build out their own infrastructure, while our permitting system continues to stifle ours. The timing is perfect for meaningful permitting reform that includes pipelines.

Real permitting reform will put the U.S. on a path to meet the ever-growing need for energy and a path to achieve human flourishing. The changes will cost taxpayers nothing while paying a world of dividends.

APPENDIX:

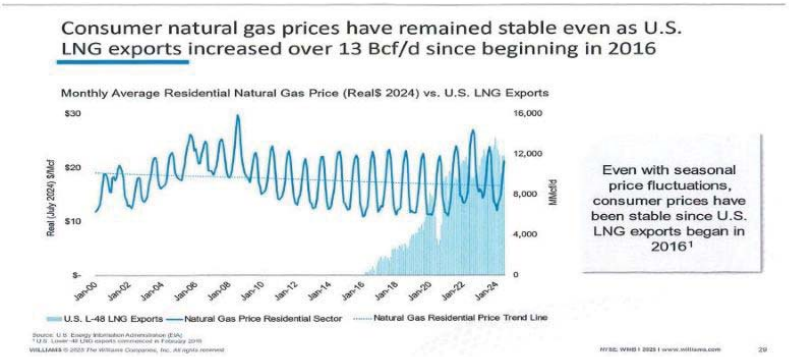
Natural gas meets the trifecta for energy solutions

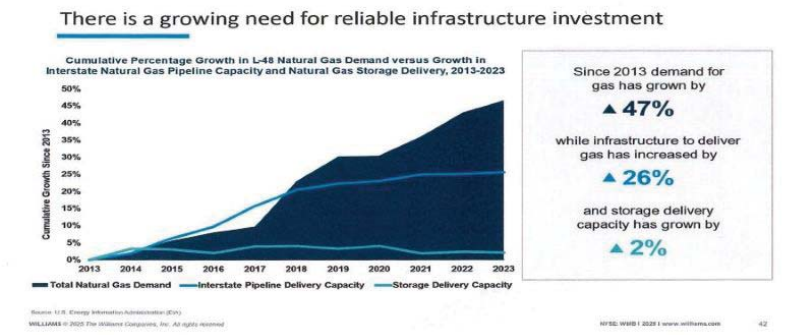
Lack of adequate natural gas pipeline capacity creates price spikes during days of peak demand



The need for **incremental gas capacity**

As prices in pipeline constrained markets, such as New England, continue to spike each winter with high demand, SW Pennsylvania prices tend to be more moderate due to better pipeline access to gas abundant supplies





QUESTIONS SUBMITTED FOR THE RECORD TO T. LANE WILSON, SVP AND GENERAL COUNSEL, WILLIAMS

Questions Submitted by Representative Higgins

Question 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?

Answer. 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.

Question 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?

Answer. 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 (tCO_2e/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.

Questions Submitted by Representative Huffman

Question 1. 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?

Answer. 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.

Mr. STAUBER. Thank you very much. Our next witness is Ms. Peg Howell, and she is the founder of Stop Offshore Drilling in the Atlantic, and she is based in Hendersonville, North Carolina.

Ms. Howell, welcome. You are now recognized for 5 minutes.

STATEMENT OF PEG HOWELL, FOUNDER, STOP OFFSHORE DRILLING IN THE ATLANTIC, HENDERSONVILLE, NORTH CAROLINA

Ms. HOWELL. Thank you, Chairman Stauber, Ranking Member Ansari, and honorable members of the Subcommittee. My name is Peg Howell. Thank you for inviting me back to testify before the Subcommittee today. I look forward to a robust conversation about

American energy and costs, including the negative impacts that new offshore drilling and related activities would have on the people who live, work, and vacation on coastlines previously untouched by the oil and gas industry.

I would like to submit my written testimony for the record.

In 1971 I was the first female petroleum engineer to graduate from Marietta College, where I earned my Bachelor of Science in petroleum engineering cum laude and graduated at the top of my engineering class. Three years later I became the first female "company man," which is the oil fields term for drilling rig supervisor in the Gulf of Mexico. I have worked for Chevron, Mobil, Marathon Oil companies in the U.S. and in the North Sea. I later earned an MBA from Harvard Business School and ran my own consulting business for more than 20 years.

I strongly supported the oil industry, especially through the new technologies developed in onshore drilling, but my support for the offshore industry ended 15 years ago on April 20, 2010, with the Deepwater Horizon catastrophe in the Gulf of Mexico.

Clearly, offshore companies had focused on "getting deeper cheaper," which was our catchphrase when I was a drilling engineer, than they were on the safety of their employees and the quality of life of coastal citizens. This one human mistake caused roughly 3.2 million barrels of oil to be released into the Gulf. The impact of this one disaster cost 11 workers their lives. Many of those who survived suffer from PTSD.

The oil spill spoiled 1,300 miles of shoreline across Alabama, Mississippi, Louisiana, Texas, and Florida. The impact of the disaster on the recreation industry was a half billion dollars. The spill killed an unprecedented number of marine mammals, turtles, and birds. Deepwater fish populations near the spill site decreased by 50 to 80 percent. Fishermen saw their livelihoods erased as State and Federal fisheries in the Gulf were closed, and the loss to the seafood industry alone was nearly $1 billion. One accident.

Last year, 14 years after the catastrophe, scientists have reported that marine life at the site continues to exhibit signs of stress and slow recovery. The overall diversity, biodiversity remains significantly reduced compared to pre-disaster levels.

Learning about the human and marine costs prompted my coastal advocacy. In the fall of 2013, I started noticing op eds in my local Pawleys Island, South Carolina newspaper written by local and State officials supporting oil and gas exploration in the Atlantic. I was shocked to see our elected representatives were advocating putting our coast and economy at risk. And out of this, I learned about the proposals in the 2019 to 2024 offshore drilling program which would have put 90 percent of the U.S. waters, including in the Atlantic and Pacific coast and eastern Gulf of Mexico, at risk.

I and others formed a group called Stop Offshore Drilling in the Atlantic, or SODA, to fight along the Atlantic coast against offshore drilling. We joined with partners across the State and across the East Coast, one of which was BAPAC, the Business Alliance for Protecting the Atlantic Coast. BAPAC is supported by 42,000-plus businesses and 500,000 commercial fishing families from Florida to Maine. Our advocacy here in Washington was instrumental in

having the Obama administration reject seismic testing in January 2017. We also worked together to obtain President Trump's support to halt offshore drilling plans for the South Atlantic in 2020.

We welcome the President Trump's use of his section 12(a) authority to protect the Atlantic waters. We also welcome President Joe Biden's building upon President Trump's protection this past January 6. These permanent withdrawals are vital to the well-being of the Atlantic.

It seems that we are here today, though, not about offshore drilling or energy independence, as our country is energy independent and has been since 2018. What we are about is, as Chairman Westerman commented, the fact that we have money that goes to the U.S. Treasury but we are, and it is depleting because we are a Nation addicted to a depletable resource. Some feel we have to keep offering new leases to feed the beast. As long as oil payments come our way there is no incentive to expand to other forms of energy like wind and solar power. This is the harsh reality of America's addiction to oil and gas. What we need to do now is to transition and continue our growth of offshore wind and to build up our supplies for the future.

In summary, we do not need to drill in the Atlantic to achieve energy dominance or energy security. We already have that. The Atlantic can, however, contribute to the U.S. energy production through responsibly-sited offshore and onshore wind. Any retreat from this opportunity is a mistake and a waste of the Atlantic's clean, renewable, and rich wind resources.

I look forward to answering any questions you may have. Thank you.

[The prepared statement of Ms. Howell follows:]

PREPARED STATEMENT OF MARGARET (PEG) HOWELL,
FOUNDER STOP OFFSHORE DRILLING IN THE ATLANTIC

Chairman Stauber, Ranking Member Ansari and Honorable Members of the Subcommittee:

Good morning. My name is Peg Howell. Thank you for inviting me back to testify before the Subcommittee today. I look forward to a robust conversation about American energy and our coasts—including the negative impacts that offshore drilling and related activities would have on the people who live, work and vacation on coastlines previously untouched by the oil gas industry. I would like to submit my written testimony for the record.

In 1977, I was the first female petroleum engineer to graduate from Marietta College, where I earned my B.S. in Petroleum Engineering, cum laude, and graduated at the top of my engineering class. Three years later, I became the first female "company man"—which is the oilfield's term for drilling rig supervisor—in the Gulf of Mexico. I have worked for Chevron, Mobil, and Marathon oil companies in the U.S. and in the North Sea. I later earned an MBA from Harvard Business School and ran my own consulting business for more than 30 years, focused on developing senior executives in Fortune 50 companies.

You may wonder with my background why I am here today. For those of you who, like me, lived through the Arab oil embargos in the 1970s, U.S. energy independence became critically important. As a petroleum engineering student in the 1970s, I believed it was my duty to help our country by working to increase domestic oil and gas supply. In subsequent decades, I was impressed by the improvements in drilling technologies and the expansion of U.S. onshore drilling.

Why there is broad opposition to new leasing for offshore oil and gas

My support for the offshore industry ended on April 20, 2010 with the Deepwater Horizon catastrophe in the Gulf of Mexico. Clearly offshore companies had focused

more on "getting deeper cheaper" (which was our motto when I was a drilling engineer), than they were on the safety of their employees and the quality of life of coastal citizens and the businesses which supported their work. This one human mistake caused roughly 3.2 million barrels (134 million gallons) of oil to be released into the Gulf. The well flowed for 87 days while they drilled a relief well to plug it.[1]

The costs of this one disaster include:

- Human impact

— 11 workers were killed. Many of those who survived suffer from PTSD.
— The spill oiled 1,300 miles of shoreline across Alabama, Mississippi, Louisiana, Texas, and Florida. The impact of the disaster on the recreation industry was a loss of more than $500 million.
— Coastal economies lost hundreds of millions of dollars in commercial fishing. Fishermen saw their livelihoods erased as state and federal fisheries were closed in the Gulf of Mexico. The loss to the seafood industry alone was nearly $1 billion.[2]

- Marine life impact

— The surface oil slick's cumulative extent totaled 43,300 square miles (approximately equal to the size of Virginia).
— The spill killed roughly 17% of the Gulf of Mexico (Rice's) whales outright. There are fewer than 100 of these critically endangered whales alive today.
— Up to 20 percent of all oceanic juvenile Kemp's Ridley sea turtles perished from oil exposure.[3]
— There has been a 50 percent decline in the population of bottlenosed dolphins.[4]
— Deep water fish populations near the spill site decreased by 50–80%.

Last year, scientists reported that marine life at the site continues to exhibit signs of distress and slow recovery. While some new life forms are beginning to appear on the wreckage, the overall biodiversity remains significantly reduced compared to pre-disaster levels.[5]

April 20, 2025 will mark 15 years since the Deepwater Horizon catastrophe, which should continue to inform your decisions about drilling beyond the western and central Gulf.

Coastal advocacy

In the fall of 2013, I started noticing articles and op-eds in my local Pawleys Island, South Carolina newspaper, written by local and state officials supporting oil and gas exploration in the Atlantic.[6, 7] I was shocked to see our elected representatives were advocating putting our coast and economy at risk. I attended a BOEM information session held in Wilmington, North Carolina about the proposed 2019–2024 offshore drilling program. This program proposed to expand offshore exploration and drilling to more than 90 percent of U.S. waters, including the Atlantic and Pacific coasts and Eastern GOM. I left that meeting knowing we needed to stop this plan. Very quickly I met others who agreed and we formed an all-volunteer, non-partisan, grassroots organization in Pawleys Island, South Carolina called Stop Offshore Drilling in the Atlantic—or SODA.[8]

Since its founding in February 2015, SODA's mission has been to protect and preserve the health and economy of the Atlantic coast, specifically, to prevent offshore seismic testing and drilling for oil and gas in the Atlantic. SODA's work has been to educate citizens and elected officials across South Carolina and the east coast about offshore drilling issues, and to advocate for the coast at the federal, state, and local levels.

SODA immediately began fighting for our coast with our Congressional representatives, state legislators, local leaders and a variety of conservation partners. In March 2016, President Obama removed the Atlantic from the federal plan, although he allowed for seismic testing. We began collecting resolutions from local governments opposing offshore drilling and seismic testing and joined forces with others, like the Business Alliance for Protecting the Atlantic Coast—or BAPAC.

BAPAC was formed in September 2016 and is supported by 42,000-plus businesses and 500,000 commercial fishing families. BAPAC and SODA's advocacy here in Washington was instrumental in the Obama Administration's rejecting permits to conduct seismic testing for oil and gas deposits in the Atlantic in January 2017. We also worked together to obtain President Trump's support to halt offshore drill-

ing planning in the south Atlantic in 2020. To this day, SODA and BAPAC stand with Atlantic communities, Atlantic coast elected officials, and others in vigilance against any plans to bring drilling to our coast.

Opposition to offshore drilling along the Atlantic and Florida's Gulf remains formidable and has only grown in the almost eight years since I last appeared before this Subcommittee. I know this is true of Pacific coast communities, too. Opposition to seismic testing and drilling in East Coast states comes from:

- More than 290 Atlantic and Florida Gulf Coast municipalities
- Over 2,300 local, state, and federal elected officials nationally (Republicans, Democrats, and nonpartisan officials)
- An alliance representing over 42,000 businesses and 500,000 commercial fishing families from Florida to Maine (the previously mentioned BAPAC)
- New England, South and Mid-Atlantic Fishery Management Councils
- Other commercial and recreational fishing interests, such as the Fisheries Survival Fund, Southern Shrimp Alliance, Billfish Foundation, and International Game Fish Association
- Numerous chambers of commerce, tourism boards, restaurant and hotel associations and homeowners, from up and down the coast.

In addition, the Department of Defense, the Florida Defense Support Task Force, and the National Aeronautics and Space Administration have also expressed concern over the years with offshore oil and gas development threatening their ability to perform critical activities including ensuring national security.

I stress again that opposition to offshore drilling is bipartisan. Recent presidential action on this issue has taken into account the strong feelings of Atlantic and Florida coastal communities. These communities welcomed President Donald Trump's use of his Section 12(a) authority under the Outer Continental Shelf Lands Act (OCSLA) in 2020 to protect the waters from North Carolina through Florida for 10 years. We also welcomed President Joe Biden's building upon President Trump's protections this past January 6, to permanently protect the Atlantic and Florida's Gulf coast once and for all—giving us the peace of mind that our coastal economies will never be impacted by the spilling and pollution that comes with drilling and onshore support industries. These permanent withdrawals are vital to the future well-being of the Atlantic, Pacific, and Florida Gulf coastal communities. They should have been celebrated and not reversed. They must be recognized, defended, and honored.

Time and again, we hear from oil and gas industry supporters that the Gulf provides a shining example of communities, petrochemicals, tourism, recreation, fishing, and nature thriving alongside each other. Well, the Atlantic coast is not the Gulf coast, nor does it want to be. The Atlantic coast developed differently than the Gulf coast. Offshore oil and gas have been part of the Gulf's economy since the 1930s. The offshore waters and marshlands of south Louisiana were carved by canals dug through them to position rigs and gather production. "Going to the beach" means something quite different in south Louisiana than it does along the mid—and south Atlantic, or Florida's Gulf for that matter. To bring to the Atlantic region the onshore infrastructure, pipelines, vessel traffic, and pollution that accompanies offshore drilling guarantees destruction of the beautiful beaches, healthy marshes, and rivers—as well as the economy—of our coast.

Our health and quality of life would also be placed at risk. Onshore infrastructure, including oil and gas storage, refineries and gas liquefaction plants, and the diesel and chemicals stored there for use in drilling, are a necessary part of drilling and production support bases. Bases like Port Fourchon, Louisiana are pollution threats to water and air quality, especially when hurricanes strike. In "Cancer Alley" Louisiana, this type of infrastructure and the petrochemical industry that frequently locates nearby has elevated the cancer risk to nearly 50 times higher than the national average.[9] This industry is not only incompatible with our tourism and recreation-based economies; it is especially inconsistent with the healthful environment people seek when they move to the Atlantic coast. Vulnerable Gulf communities are rarely talked about when the industry makes its sales pitch. Atlantic Coast communities see what Americans living in the shadow of the industry must endure, and they are not interested in experiencing that themselves.

So why are we here today?

I note the jurisdiction of this Subcommittee as it pertains to today's hearing, specifically your responsibility for deciding if, when, how and by whom our offshore

resources, including wind, solar, and oil and gas, are developed to meet the energy needs of our nation. The facts are clear that there is no "energy emergency;" we are energy independent as a country and have already achieved the President and Committee Chairman Westerman's goal of energy dominance.

As a reminder, in 2009 the U.S. became the world's largest producer of natural gas and in 2018, the largest oil producer in the world. Oil companies are not interested in obtaining new leases.[10] They have nearly 12 million acres of active leases in the Gulf, but only about 2.4 million acres are being used to produce oil and gas, according to BOEM data. There is already an abundance of U.S. oil and gas. After reaching a new annual record high of 13.2 million b/d in 2024, the U.S. Energy Information Administration (EIA) forecasts that U.S. crude oil production will increase to 13.5 million b/d this year. Onshore, the Permian region's share of U.S. production will continue to increase, accounting for more than 50% of all U.S. crude oil production in 2026. The EIA forecasts downward oil price pressure as global oil production grows more than global oil demand. So why is President Trump interested in increasing offshore exploration and drilling?

Apparently, it's not to reduce energy prices to consumers. According to Scott Eustis, the community science director for Healthy Gulf:

If Trump really wanted to slash energy prices for U.S. consumers, he wouldn't have banned offshore wind leasing in federal waters or restarted permitting for new liquefied natural gas (LNG) export terminals, said Scott Eustis. Shipping LNG overseas contributes to higher electricity and natural gas prices in the U.S., according to a recent U.S. Department of Energy report. LNG exports make everybody's energy cost more because we're giving it to China and not using it domestically, Eustis said.[11]

So why does the Administration now want to open new offshore areas to seismic testing and oil and gas drilling? Natural Resources Committee Chairman Westerman's January 10, 2025 press release explained it:

Offshore energy development has generated hundreds of billions of dollars in federal and state revenues, a testament to its unmatched value to the nation. Before 2004, the program brought in an astonishing $159 billion, including $64 billion in bonuses, $3 billion in rentals, $89 billion in royalties, and $3 billion in in-kind oil deliveries in lieu of royalties. Over the past 20 years, it has added another $140 billion to the federal treasury, underscoring its enduring importance to the American economy.[12]

There we have it; it is all about the money. Without new offshore oil and gas leasing, there are no new bonuses and rentals, and without new production, there are no royalties and in—kind oil deliveries. Because we as a nation are addicted to a depletable resource, some feel we have keep offering new leases to feed the beast. By this way of thinking, there is no incentive to expand other forms of energy like wind and solar power. This is a big part of the harsh reality of America's addiction to oil and gas.

Unfortunately, the Administration does not account for the costs of increased offshore oil and gas drilling to our coastal economies and the extraordinary and increasing costs resulting from adding more CO_2 to the atmosphere from burning fossil fuels. It does not account for the astronomically expensive floods, hurricanes, landslides, droughts and wildfires that reduce our federal funds. With a focus solely on revenues, there is insufficient acknowledgement of the hundreds of deaths or the tens of thousands of people who have lost their homes, been permanently displaced from families and friends, suffer from petroleum—related health issues, or lost all their savings and their dreams for their family's future. Perhaps a full accounting of the true cost of increased hydrocarbon use would demonstrate that offshore oil and gas development is not, as Chairman Westerman said, a "testament to its unmatched value to the nation."

Instead, let us continue to add more safe, renewable resources. The U.S. is making great progress in on—and off-shore wind energy, solar power, and battery storage. The EIA projects that by 2050, 26% of our energy consumption will come from renewables versus 10% today.[13]

In summary

Opening the Atlantic to seismic testing and drilling jeopardizes our coastal businesses, fishing communities, tourism, our national defense, our health, and our way of life. It opens the door to even greater risks from offshore oil and gas production down the road. Do we need to drill in the Atlantic to achieve "energy dominance" or enjoy "energy security?" The answer is "no." Because of the massive expansion

in domestic energy production, the U.S. is already the world's leader in oil and gas production.

Since December 2015, when Congress allowed oil companies to export our crude oil for the first time since the Arab oil embargoes of the 1970s, we have been steadily increasing our crude exports and are now sending more than four million barrels a day to China.[14]

The Atlantic can, however, contribute to U.S. energy production through responsibly sited offshore wind. Any retreat from this opportunity would be a mistake and a waste of the Atlantic's clean, renewable, and rich wind resources.

For myself and on behalf of SODA, BAPAC, and the millions of citizens on the Atlantic who oppose increasing offshore oil and gas development, we believe that the President's revocation of the Biden Administration's OCSLA 12(a) withdrawal of acreage in U.S. federal waters, and the President's January 20 moratorium on federal actions for onshore and offshore wind projects and withdrawal of new or renewed wind leases on the Outer Continental Shelf takes the Atlantic in the wrong direction when it comes to our energy future, and when it comes to protecting our coastal economies.

I close with similar thoughts to those I had when I last appeared before this Subcommittee:

Opening more of the U.S. coast to offshore drilling is a "forever" decision.[15] It is a "FOREVER decision" because once oil companies obtain leases and find commercial quantities of oil and gas, by law, they are entitled to produce from those leases, drill more wells, or sell the property to another operator. When the oil business comes to town, it is very slow to leave, if ever.

And finally, I do not expect to be here decades from now when we see the results of decisions made today about the disposition of the Atlantic coast. I hope that the Atlantic Ocean and all of America's coasts untouched by oil and gas will be as magnificent as they are today, and that future generations will be inspired by our legacy.

I look forward to answering any questions you may have. Thank you.

ENDNOTES

[1] Fourteen Years After Deepwater Horizon, Drilling is Still a Threat, April 19, 2024, https://www.nrdc.org/bio/zanagee-artis/fourteen-years-after-deepwater-horizon-drilling-still-threat,
[2] https://usa.oceana.org/wp-content/uploads/sites/4/2023/04/2023-Drilling-Report-DOI.pdf
[3]https://www.google.com/search?q=deepwater+horizon+oil+spill+effects+on+marine+life&rlz=1C1CHBF_enUS955US955&oq=&gs_lcrp=EgZjaHJvbWUqCQgBEEUYOxjCAzIJCAAQRRg7GMIDMgkIARBFGDsYwgMyCQgCEEUYOxjCAzIJCAMQRRg7GMIDMgkIBBBFGDsYwgMyCQgFEEUYOxjCAzIRCAYQABgDGEIYjwEYtAIY6gIyEQgHEAAYAxhCGI8BGLQCGOoC0gELNjM4NzQ2NmowajeoAgiwAgE&sourceid=chrome&ie=UTF-8
[4] Ibid.
[5] The lasting impact of the Deepwater Horizon spill on marine life, EHN, https://www.ehn.org/the-lasting-impact-of-the-deepwater-horizon-spill-on-marine-life-2667816386.html
[6] Coastal Observer, "House District 108: Questions for Stephen Goldfinch," October 30, 2014

[7] Coastal Observer, "Offshore Drilling, An Opportunity for Economic Growth" by Bob Anderson, former Georgetown County Councilmember, District 6, October 24, 2013

[8] https://mailchi.mp/67f640cf92dc/soda-four-years-on-job
[9] https://www.propublica.org/article/cancer-alley-louisiana-epa-environmental-racism
[10] https://grist.org/energy/trump-wants-more-drilling-but-the-oil-market-is-already-saturated/
[11] Ibid.
[12] Westerman Slams President Biden for "a Willful Act of Sabotage," https://naturalresources.house.gov/news/documentsingle.aspx?DocumentID=416853
[13] 2024-2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program, https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/2024-2029_NationalOCSProgram_PFP_Sept_2023_Compliant.pdf
[14] https://www.eia.gov/dnav/pet/pet_move_exp_dc_NUS-Z00_mbblpd_m.htm
[15] https://storage.googleapis.com/wzukusers/user-34863532/documents/5d28bb29ce5f2W9TyKnm/Peg%20Howell_%20SODA_%20Testimony%20to%20SC%20House%20Ad%20Hoc%20Committee%20on%20Drilling_2017Oct26_copyright.pdf

A "Forever Decision" case example: California's offshore oil & gas history... The first Federal OCS lease sale offshore CA was held in 1963. Six years later the first Santa Barbara spill occurred which caused such an uproar against drilling that the U.S. Secretary of the Interior removed federal tracts near Santa Barbara from oil and gas leasing. The state passed immediately instituted a moratorium on drilling in state waters. However, the federal government quickly resumed offshore leasing and continued to hold sales through 1982, when the U.S. Congress finally halted new Federal leasing off California through the appropriations process. A second large Santa Barbara oil spill happened just before Memorial Day weekend 2015, when an underground pipeline that transports oil from an offshore platform to refineries ruptured, spilling 142,000 gallons of crude oil into a coastal state park. The spill, caused by corrosion in a pipeline that did not have automatic shutoff valves, closed nearby beaches for two months, killed hundreds of animals, including birds, sea lions, and dolphins, and cost $96 million to clean up. Despite the long-term ban on new leasing in federal waters, drilling and production have continued on these leases - from 26 platforms and approx. 200 miles of pipelines. By law, as long as federal OCS wells are producing commercial quantities of petroleum, oil companies may continue to produce from those leases, drill more wells, or sell the property to another operator. In the California OCS waters, oil companies have produced – and spilled - from these OCS leases and pipelines for over 50 years – more than 40 years after the Santa Barbara spill. The point of reviewing this history is to emphasize that when the oil business comes to town, it is very slow to leave, if ever. And the state cannot make the Feds end the leases.

Mr. STAUBER. Thank you very much. Our next witness is Mr. Tim Tarpley, and he is President of the Energy Workforce and Technology Council, and he is based in Houston, Texas.

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

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

Mr. TARPLEY. Thank you. Chairman Stauber, Ranking Member Ansari, and distinguished members of the Subcommittee, thank you for inviting me to be here today. My name is Tim Tarpley, and I am President of the Energy Workforce and Technology Council.

The Energy Workforce and Technology Council is a national trade association for the energy, technology, and services sector, representing over 220 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 service companies with global operations all the way down to small, family-owned, well servicing companies that operate locally.

We have a once-in-a-generation opportunity to truly maximize the United States' energy potential and to make policy changes that will benefit this country's workforce, our economy, and our energy security for years to come. Energy production has long been the backbone of the United States' national security. Unfortunately, the United States has not fully taken advantage of our opportunity for energy dominance. The past 4 years have seen opportunities squandered and put on hold. The Biden administration's ill-advised LNG permitting pause is an example of this. U.S. offshore policy is another glaring example.

The Biden administration leased fewer acres for offshore oil and gas production than any other modern administration since World War II. President Biden's 2024 to 2029 program called for a mere three lease sales. This pause and slow-walk of offshore leasing has led investors, Gulf communities, and the offshore workforce to lose confidence in the Federal Government's ability to effectively manage this resource. All of these delays have occurred despite the fact that the United States and the world will need a lot more energy in the coming decades.

In fact, the U.S. Energy Information Administration predicts that the worldwide demand for all forms of energy will increase by 50 percent by 2050. These delays and bureaucratic roadblocks hurt our energy security along with our economy. Currently, the Gulf of America offshore oil and natural gas industry supports an estimated 370,000 jobs in the United States and contributed approximately $30.8 billion to the U.S. GDP.

Looking ahead, annual offshore oil and gas investment is expected to remain significant, averaging nearly $30 billion per year between 2025 and 2040. Economic analysis by the Energy and Industrial Advisory Partners suggests that adding new leasing opportunities could further boost investment and spending by $4.8 billion annually, supporting an additional 55,000 jobs and adding $4.6 billion to the U.S. GDP each year.

While the U.S. has delayed and slow-walked the full development of our offshore resources, our competitors abroad have moved rapidly to develop their own. In the Middle East offshore, upstream spending in the region has surpassed all others for the first time. Mammoth projects in Saudi Arabia, Qatar, and the UAE are underway. According to Rystad, the area's offshore spending growth looks set to continue from $33 billion last year to $41 billion in 2025. These countries are tapping into their vast offshore resources to meet rising global energy demand. Why aren't we?

Restricting U.S. offshore production just means that the development will go somewhere else. The demand will not go away. Other countries will just reap the benefits. The U.S. Gulf boasts

approximately half the carbon intensity of other producing regions. We simply do it better. From 2011 to 2017, according to BOEM, carbon emissions from the U.S. Gulf operations decreased by approximately 60 percent, even as oil production increased by over 35 percent. How do we do this? We do it because we have the best technology and the best expertise.

What can Congress do?

First, Congress should act to stop bureaucratic delay tactics and follow the intent of OCSLA to hold annual lease sales. We fully support the actions taken by President Trump and Secretary Burgum and their executive orders directing agencies to resume regularly-scheduled lease sales. However, it is important that Congress solidify this into law as strongly as possible to prevent future administrations from delays.

Congress can also codify the 2020 biological opinion as legal and sufficient to prevent additional threats of shutdowns like those that occurred last year regarding the Rice's whale and North Atlantic right whale and other species.

Additionally, legislative action taken by Congress should codify and ensure that the multiple NEPA reviews that have already occurred for specific lease sales in the Gulf will be considered sufficient going forward.

I also urge Congress to work on passing comprehensive permitting reform as soon as possible. Permitting reform is necessary for developing upstream oil and gas projects, geological and geophysical surveying, and construction and operation of production facilities in the Gulf.

To fully realize the potential of the U.S. offshore, additional offtake for oil and natural gas pipelines will be necessary, in addition to repairs of the current infrastructure in the coming decades. In 2000, on average, it took 2 years for an energy infrastructure project to go from the point of its first permit being filed to becoming operational in the United States. Over 20 years later, in 2022, the average was over 5 years.

The U.S. Gulf is a tremendous resource that can benefit the economy and energy security of the United States and its citizens. Unfortunately, U.S. energy policy back and forth and long-term uncertainty have not allowed us to fully exploit this incredible resource. The time to end that is now.

I look forward to questions. Thank you.

[The prepared statement of Mr. Tarpley follows:]

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

Chairman Stauber, Ranking Member Ansari, and distinguished members of the subcommittee thank you for inviting me to be here today. My name is Tim Tarpley, I am President of Energy Workforce & Technology Council, I appreciate the opportunity to testify on behalf of the energy services and technology sector on *"Restoring Energy Dominance: The Path to Unleashing American Offshore Energy."*

We have a once-in-a-generation opportunity to truly maximize the United States's energy potential and to make decisions and policy changes that will benefit this country's workforce, economy, and energy security for years to come. These decisions will improve not only our lives but also those of our children and grandchildren.

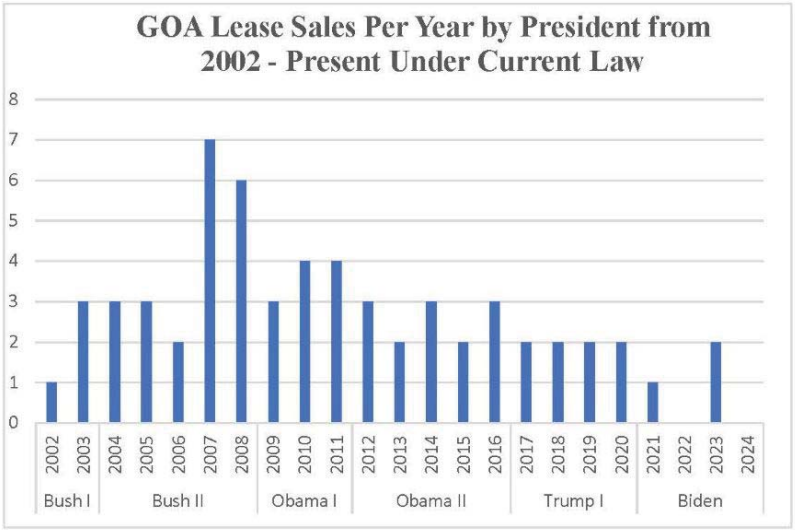
Energy Workforce & Technology Council is the national trade association for the energy technology and services sector, representing over 220 companies and employing more than 650,000 energy workers, manufacturers and innovators in the energy

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. 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.

Energy production has long been the backbone of the United States' national security. Maintaining energy security requires long-term investments and commitments to developing reliable energy sources like oil and gas. Unfortunately, the United States has not fully taken advantage of the opportunity for energy dominance. The past four years have seen opportunities squandered and put on hold. The Biden Administration's ill-advised LNG permitting "pause" is an example of this. Instead of fully embracing a robust domestic LNG industry, the previous Administration instead put bureaucratic roadblocks in place to slow down industry and create doubt and uncertainty among our allies and industry.

U.S. Offshore Role in American Energy Dominance

Restrictive policies on offshore drilling undermine domestic energy production, drive up costs for American families, and increase reliance on foreign energy sources. The federal offshore leasing program, managed by the Bureau of Ocean Energy Management (BOEM), has undergone significant changes over the years, reflecting shifting political priorities. As shown in Figure 1, the Biden Administration leased fewer acres for offshore oil and gas production than any other modern administration since World War II.[1] The Biden Administration's 2024–2029 program called for a mere three lease sales, representing the lowest number of lease sales in history,[2] raising concerns over energy security and economic impact. This pause and slow walk of offshore leasing has led investors, Gulf Coast communities, and the offshore workforce itself to lose confidence in the Federal government's ability to responsibly develop and manage the nation's offshore resources in a way that creates a positive, long-term investment outlook for the Gulf of America.



The worst thing for any business is uncertainty and inconsistency. This is especially true when considering the massive investments and long buildouts necessary to compete in the U.S. offshore market. With offshore oil and natural gas wells often

[1] (Jacobs, 2023)
[2] (Congressional Research Service, 2024)

taking 10 to 15 years to begin production from the time initial leases are even awarded due to the nation's byzantine permitting and regulatory processes, offshore developers now find themselves without business certainty on both sides of the development equation. This is not a sustainable framework for confident investment in our offshore regions, which now provide over 15% of America's oil and gas production each year.

Growing Energy Demand

Producing energy resources is a necessity. Despite earlier predictions that have since been proven wrong, 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. This will be especially true as we see increasing deployment of energy-intensive technologies like Artificial Intelligence. In fact, the U.S. Energy Information Administration (EIA) predicts that the worldwide demand for all forms of energy will increase by 50% by 2050.[3] 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 energy resources in the United States.

Figure 1

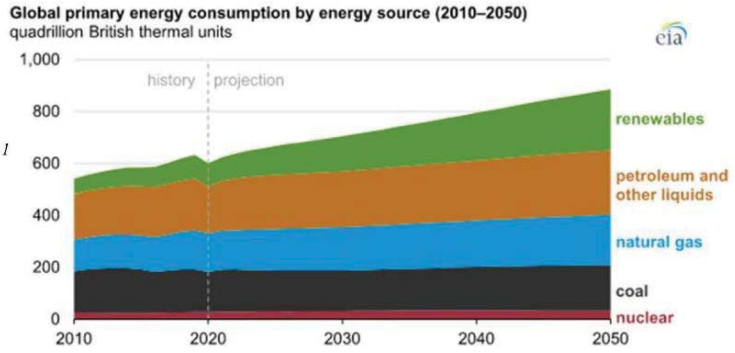


Figure 2 Global Primary Energy Consumption by Energy Source (U.S. Energy Information Administration, 2021)

Economy and Jobs

Currently, the Gulf of America offshore oil and natural gas industry support an estimated 362,000 jobs in the United States and contributed approximately $30.8 billion to the U.S. GDP, according to a report by Energy & Industrial Advisory Partners and the National Ocean Industries Association as shown in *Figure 3*. Over this period, U.S. government revenues from offshore production are expected to exceed $7.4 billion per year.[4] reinforcing the industry's role as a critical economic driver.

The offshore oil and gas industry provides high-paying, stable careers across a wide range of skill levels, from entry-level laborers to specialized engineers and technicians. With wages well above the national average, the sector remains a key source of economic opportunity, supporting hundreds of thousands of American workers. A strong and predictable offshore leasing program is essential to maintaining these well-paying jobs and sustaining a skilled workforce that contributes to U.S. energy security and economic growth.

[3] (U.S. Energy Information Administration, 2021)
[4] (Energy and Industrial Advisory Partners, 2025)

		Legislated Leasing Program Case Impacts		
Economic Impact	Base Case Average (2025-2040)	Average Impact (2025-2040)	End of Forecast Impact (2040)	Cumulative Impact (2025-2040)
Capital Investment and Spending ($ Billions)	$29.9	$2.8	$4.8	$44.9
Employment	362,000	31,700	56,000	N/A
Contributions to GDP ($ Billions)	$30.9	$2.6	$4.6	$42.3
Government Revenues ($ Billions)	$7.3	$0.5	$1.7	$8.3
Oil and Natural Gas Production (MMBOED)	2.3	0.16	0.51	949 Million Barrels

Source: Energy and Industrial Advisory Partners

Figure 3 Study Findings, Full Forecast (2025-2040) (Energy and Industrial Advisory Partners , 2025)

Looking ahead, annual offshore oil and gas investment is expected to remain significant, averaging nearly $30 billion per year[5] between 2025 and 2040. Economic analysis by the Energy & Industrial Advisory Partners suggests that adding leasing opportunities could further boost investment and spending by $4.8 billion annually, supporting an additional 55,700 jobs and adding $4.6 billion to U.S. GDP each year. This increased activity could also generate an additional $1.7 billion in annual government revenue by 2040,[6] further strengthening federal finances and the programs that rely on them.

Geopolitical Consequences

Meanwhile, while the U.S. has delayed and slow-walked the full development of our offshore resources over the past four years, our competitors abroad have moved forward rapidly on the development of their offshore resources.

One of the global drivers of global offshore expansion is the Middle East where offshore upstream spending in the region has surpassed all others. Mammoth projects in Saudi Arabia, Qatar and the UAE are underway. According to Rystad, the area's offshore spending continues to grow from $33 billion 2023 to $41 billion in 2025. These countries are tapping into their vast offshore resources to meet rising global oil demand, backed by the necessary capital and infrastructure to outpace other producers. Why is America not doing the same thing?

In South America, Brazil has sold billions of dollars in offshore leases, attracting major energy investments and making it the second-largest offshore producer. Brazilian upstream spending is projected to approached $23 billion in 2023, with Guyana investments totaling $7 billion.[7] Mexico has invested $7.3 billion. Guyana's deepwater developments have positioned it as one of the fastest-growing oil producers.

European countries like Norway have committed to increasing exploration in the North Sea and maintaining a stable and investor-friendly leasing regime. Investments in the North Sea from the UK and Norway have also risen recently. UK offshore spending jumped 30% to $7 billion in 2024, while Norwegian investments hit $21.4 billion in 2023, an increase of 22% over 2022.[8]

[5] (Energy and Industrial Advisory Partners, 2025)
[6] (Energy and Industrial Advisory Partners, 2025)
[7] (Rystad Energy, 2023)
[8] (Rystad Energy, 2023)

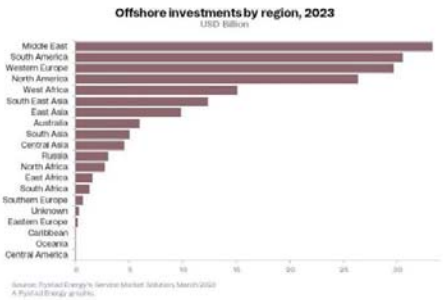


Figure 4 Offshore Investments by Region, 2023 (Rystad Energy, 2023)

Restricting U.S. offshore production just means the development will go somewhere else. **The demand will not go away, it will just lead to others reaping the benefits.**

U.S. Offshore Oil Production is Vital to American Energy Dominance

According to the 2022 NOIA report, replacing barrels of imported foreign hydrocarbons with barrels produced domestically in the Gulf of America would significantly reduce the nation's GHG footprint. This reduction would amount to a remarkable 46% decrease in carbon intensity per barrel for every foreign barrel replaced with oil from the American Gulf. This is equivalent to removing 11.3 CO_2e kg/bbl from the current global average of 24.4 CO_2e kg/bbl.[9] The U.S. Gulf of America stands out as a region with some of the lowest carbon barrels of oil, particularly when compared to other oil-producing regions. The annual carbon savings from this swap alone would be equivalent 18 million less cars on American roads, over 6% of vehicles in operations. A significant contributor to this is effective methane management. U.S. offshore operations in the Gulf of America 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 America boasts approximately half the carbon intensity of other producing regions.[10] 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%.[11] Most importantly, the United States maintains regulatory compliance in the Gulf, as opposed to other basins around the world that fall under the jurisdiction of other countries.

Energy Technology and Safety Innovations

The United States Gulf of America has demonstrated that it is possible to develop offshore energy while adhering to the highest safety and environmental standards. Every form of energy production has some level of environmental impact. The key question is whether these impacts are manageable and whether the benefits outweigh the potential negatives. In the case of offshore drilling, the industry has made significant strides in improving safety and reducing environmental impact. Energy companies have dedicated substantial resources to developing and improving technological innovations that are shrinking an already small carbon footprint. From electrifying operations to implementing cutting-edge solutions that streamline offshore infrastructure by reducing size, weight, and part count—enhancing safety and efficiency—the U.S. Gulf is at the forefront of a high-tech transformation.

These advancements underscore the industry's commitment to responsible energy development, proving that offshore production can be both efficient and environmentally sustainable. As technology continues to evolve, the U.S. Gulf of America remains a critical hub for innovation, securing America's energy future while upholding the highest standards of safety and environmental stewardship.

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[9] (Energy and Industrial Advisory Partners, 2022)

[10] (Energy and Industrial Advisory Partners, 2022)

[11] (Energy and Industrial Advisory Partners, 2022)

The offshore drilling space has seen a multitude of technological innovations in the past decade, with systems aimed at improving not only the rig's performance but also crew safety, as well as reducing the carbon footprint, such as:

- Digital twin technologies to streamline identifying energy-saving upgrades
- Analyzing sensor data in real-time to optimize drilling
- Using algorithms to identify deviations from optimal performance
- Software program that tracks, analyzes and models CO_2 and NO_X emissions data
- Battery energy storage system—which has led to a 21.5% reduction in carbon emission intensity since its implementation[12]
- Cutting-edge well construction and materials implementation that allow safer, more efficient drilling at high pressures and high temperatures.

Overcoming the Slow Down

In 1953, Congress passed the Outer Continental Shelf Lands Act (OCSLA), which states that the 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.[13]

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 America. Further delays will harm the U.S. economy and U.S. employment and force the United States and our allies to use oil and gas from less responsible and reliable sources.

So, we must ask ourselves why we have continued 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? To prevent this from happening in the future, Congress should act 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. By mandating that the Secretary of Interior hold regularly scheduled OCS lease sales that a future administration cannot bureaucratically delay. This mandate should not be necessary, as we should already have a 5-year lease plan according to existing law, but unfortunately, previous administrations have weaponized lease plans to the detriment of energy security. Such a mandate will bring regulatory certainty to 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.

What Congress Can Do

We fully support the actions taken by President Trump and Secretary Burgum in their executive orders directing agencies to resume regularly scheduled lease sales; however, it is important that Congress solidify this in law as strongly as possible to prevent future administrations from delaying sales. Congress can take a number of actions very quickly this year that will bring certainty and stability to the resources. In addition to congressionally mandated lease sales through at least 2035, Congress can quickly codify the 2020 Biological Opinion (BiOp) as legal and sufficient to prevent additional threat of shutdown that occurred last year due to eNGOs' and the Administrations' intent on development mitigations for species like Rice's whale and the North Atlantic Right Whale. The BiOp is a regulatory document issued by the National Marine Fisheries Service (NMFS) under the Endangered Species Act (ESA) to evaluate the potential impacts of oil and gas activities, including leasing, exploration, development, and production, on protected marine species and their habitats in the Gulf of America. At its core, it functions as the programmatic ESA permit required to undertake nearly every industrial activity needed to develop, produce, and transport oil and gas in the U.S. Gulf. In 2024, after a challenge by environmentalist activist groups, a decision by the U.S. District Court for the District of Maryland vacated the 2020 Biological Opinion,[14] inserting a risk of significant production shutdowns and slowdowns in the Gulf. Despite the Trump Administration working as quickly as possible to issue a new Biological Opinion by the court's May, 2025 deadline, Congress can take steps now to codify the previous Biological Opinion (2020) as legal in the interim, thus giving the

[12] (Whitfield, 2024)
[13] (Office of the Law Revision Counsel of the United States House of Representatives, n.d.)
[14] (Trieu, 2024)

Trump Administration more time to complete a new Biological Opinion in a way that prevents legal exposure from activist groups.

Energy Workforce would also encourage Congress to work with the Trump Administration to address actions that can be taken to address the Biden Administration's January 2025 OCSLA 12(a) executive withdrawal of 625 million acres of OCS lands from future oil and gas leasing and ensure that access to this region is codified in law. Despite President Trump quickly rescinding the Biden Administration's 11th-hour ban, Congress should take this opportunity to examine 12(a) authorities writ large and update OCSLA in a way that realigns the nation's energy policies with Congress's original intent; to ensure sustained and growing offshore energy production across all regions. Additionally, legislative action taken by Congress should codify and ensure that the multiple NEPA reviews that have already occurred for lease sales in the Gulf will be sufficient going forward. For example, recently BOEM prepared detailed NEPA reviews for GOA Region-wide Lease Sales 259 and 261 and a voluntary PEIS for BOEM's 2024–2029 Proposed Final Program. Prior to that Congress in the IRA expressly found sufficient the prior environmental studies for 257. Completing multiple reviews of regions that have already undergone review will only slow down the process and not come up with any different results.

We also urge Congress to work on passing comprehensive permitting reform as soon as possible. Permitting reform is necessary for developing upstream oil and gas projects, geological and geophysical surveying, and construction and operation of production facilities. To fully realize the potential of the U.S. offshore, additional offtake oil and natural gas pipelines will be necessary in the coming decades. The U.S. is simply not building energy infrastructure rapidly enough to keep up with demand. According to an analysis by the Lawrence Berkeley National Laboratory, in 2000, on average, it took two years for an energy infrastructure project to go from the point of its first permit being filed to becoming operational in the United States. This includes everything from interstate gas pipelines to renewable energy transmission projects. Over 20 years later, in 2022, the average was over 5 years. And that five-year average? Well, it's only if you actually get a permit in the first place. Many energy projects have been caught up in litigation for decades.

Some of the most critical aspects of permitting reform do not even require Congress or the Administration to legislate novel regulatory approaches, but merely to codify existing permitting practices that were suddenly abandoned by the Biden Administration. As the best example, in early 2023, the Biden Administration EPA failed to renew its five-year general permit for oil and gas development in the Gulf of America. This led to a multi-month gap in compliance for offshore operators and their drilling contractors, where leaseholders were to be forced to choose between continuing to drill and produce wells at the risk of violating U.S. law (thus facing hefty, daily fines from the EPA), or ceasing all operations and absorbing the significant cost of contracted services standing idle, as well as lost production. This was a pointless and costly regulatory gap that created significant investment and operational uncertainty for the upstream partners that EWTC's members rely on to sanction new projects, expand service and contract offerings, and produce *more American energy*. Congress can take bipartisan steps now to ensure under-the-hood loopholes like these are closed for good, allowing policymakers to turn their focus to the robust, innovative permitting reforms we need to move forward competitively.

Conclusion

The U.S. Gulf is a tremendous resource that can benefit the economy and energy security of the United States and its citizens. Unfortunately, U.S. energy policy's back-and-forth and long-term uncertainty have not allowed us to fully exploit this incredible resource. The time is now to end this uncertainty. While the opportunity exists, Congress should quickly act to mandate regularly scheduled lease sales, pass permitting reform and limit the ability to weaponize ESA designations to slow development. Taking these steps will ensure that the full potential of the Gulf is realized.

QUESTIONS SUBMITTED FOR THE RECORD TO TIM TARPLEY, PRESIDENT ENERGY WORKFORCE AND TECHNOLOGY COUNCIL

Questions Submitted by Representative Higgins

Question 1. The workforce and supply chain supporting offshore energy has been affected by regulatory uncertainty. What impacts have these delays had on workforce development and investment in new energy technologies, and what role could permitting reform play in restoring industry confidence?

Answer. The Biden Administration leased fewer acres for offshore oil and gas production than any other modern administration since World War II. The Biden Administration's 2024–2029 program called for a mere three lease sales, representing the lowest number of lease sales in history, raising concerns over energy security and economic impact. The pause and slow walk of offshore leasing has led some investors and the offshore workforce to lose confidence in the consistent availability of the resource. We must keep in mind that the average cost of a new offshore drilling rig costs somewhere in the range of $500 million to $1 billion and there may be 10 years from first application for a permit until first oil. This is a significant financial investment to make when there are permitting delays that could extend that time frame significantly. This uncertainty tends to lead investors either away from offshore entirely or to offshore basins around the world where the regulatory environment is more certain such as the Middle East or Brazil.

The uncertainty in the U.S. offshore has also caused significant uncertainty for the workforce that makes their living offshore. These men and woman face an unorthodox working environment where they spend many weeks away from their families. The jobs are quite well paid, but when regulatory uncertainty threatens the availability of these jobs long term Americans will drift to other sectors or find jobs internationally. This means the U.S. loses this vital resource, expertise. This expertise is what has allowed us to have the most advanced offshore environment in the world that is extremely efficient.

Question 2. Lease Sale 261 was burdened with last-minute stipulations that significantly reduced its attractiveness to bidders. If not for a court intervention pulling back these stipulations, the sale could have been a failure. Alternative C in the Draft PEIS for the Five-Year Plan continues this pattern by limiting available acreage and imposing new regulatory hurdles. How do these restrictions affect the viability of future lease sales, and what message does this send to potential investors considering long-term commitments in the Gulf?

Answer. Alternative C continues the pattern of regulatory uncertainty in the Gulf and such an option if chosen, would slow investments in that region. Lease area 261 has already had a detailed NEPA review conducted by BOEM and further regulatory hurdles will not yield any significant new results.

Question 3. Lease Sale 262, originally scheduled for 2025, has already been pushed to 2026 due to BOEM's tactically slow NEPA process. Beyond the immediate impact on industry planning and capital investment decisions, how do these persistent delays stifle technological innovation—innovation that has made the Gulf the cleanest major offshore oil and gas producing region in the world? Do you believe these delays are part of a broader strategy to discourage offshore development and create prolonged gaps between lease sales, ultimately weakening the industry's ability to advance safer and more efficient energy production?

Answer. Yes, unfortunately I do believe that the prior administration conducted a coordinated strategy to delay, slow walk and add new administrative and regulatory burdens with the purpose of tactically slowing down oil and gas activity in the gulf. Often environmental reviews were ordered to be conducted multiple times in the same regions knowing full well that the results would be the same or very similar. This burdensome and duplicative regulatory process not only wastes government resources, but I believe is counter to the congressional intent of OSCLA. The resources in the Gulf belong to the American people. The federal government is only a steward of these resources, the government does not have the right to use its regulatory and administrative powers to essentially block access entirely.

Questions Submitted by Representative Huffman

Question 1. 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?

Answer. Our trade association is made up of service and equipment companies that provide services on contract to the operators in the Gulf who ultimately bid on leases and make business decisions as to where to operate. Many of our companies work in various locations throughout the world. Should the operators choose to conduct operations in areas of the OCS where drilling does not currently take place we would expect that many of our companies would bid to support these activities.

Mr. STAUBER. Well, thank you very much.

I want to thank all the witnesses for your testimony this morning. The Chair will now recognize Members for 5 minutes of questions. I now recognize myself for 5 minutes.

Mr. Chiasson, you testified that Port Fourchon services 90 percent of the deepwater rigs in the Gulf of America, and that Gulf production contributes nearly 20 percent of the Nation's oil supply. What would happen to United States energy prices if Federal leasing and permitting delays continue to disrupt your port's operations?

Mr. CHIASSON. Simply, energy prices would remain high, including gas prices at the pump. Again, they would stay elevated, and that impacts every household in America.

Mr. STAUBER. The need for energy is just increasing. Would you agree with that?

Mr. CHIASSON. Absolutely.

Mr. STAUBER. If we have to win the AI war, we need energy. Would you agree with that?

Mr. CHIASSON. Yes.

Mr. STAUBER. Mr. Wilson, you mentioned that oil and gas produced in the Gulf has a carbon intensity that is nearly a half of the global average for deepwater fields. Can you explain how maintaining Gulf production helps reduce global emissions while keeping energy affordable, safe, and clean for American families?

Mr. WILSON. Thank you, Congressman.

The footprint, the emissions footprint in the Gulf is less than half because we don't vent, we don't flare like other countries do. If we do not produce this energy, China will produce it, Iran will produce it, and Russia will produce it with a much higher emissions footprint.

This energy comes, the oil and the gas from the Gulf comes, directly into the domestic continental United States. It allows us to maintain low and stable natural gas prices and low and stable oil prices.

Mr. STAUBER. Thank you.

Mr. Tarpley, your testimony emphasized that delays in lease sales and permitting have caused job losses and reduced GDP. How quickly could U.S. offshore investment and job growth rebound if Congress implemented permitting reform and guaranteed lease sales?

Mr. TARPLEY. Mr. Chairman, I think it could be quite quick. In fact, a study has shown that we could have $4.8 billion a year in additional revenue by 2040 with additional leasing and permitting reform. We could also support 55,000 additional jobs in the Gulf. That is very significant, and it could happen quite quickly.

Mr. STAUBER. Give me the number of jobs again.

Mr. TARPLEY. Fifty-five thousand.

Mr. STAUBER. Fifty-five thousand jobs. You know, other countries are recognizing the need to meet increasing demand, energy demand, and are aggressively expanding their offshore oil and gas industries. Is that correct?

Mr. TARPLEY. That is correct.

Mr. STAUBER. What lessons can Congress learn about what these countries have done to create a more stable investment environment for U.S. offshore development?

In other words, how do we bring these investments back to the United States, instead of these other countries that are eager to responsibly develop their own resources?

Mr. TARPLEY. Regulatory certainty is the key, Mr. Chairman. An offshore oil and gas production facility costs between $500 million to as much as a billion. It might take 10 years between getting the lease to get to first oil. That is a huge financial investment. And when you add regulatory uncertainty to that, it is a harder decision to make. Other countries have recognized that, and are actively trying to pull in that investment to their basins.

Mr. STAUBER. I think we talk about it in the industry, and it is not just in the energy industries, it is in the mining industries and others. The certainty for permitting reform is increasingly important for the investment that needs to follow.

Mr. Chiasson, I was down at Port Fourchon on a trip a couple of years ago. We spoke. I recall being in a room, you know, full of industry experts. And this was under the Biden administration, and they were begging us to change the direction of this country. And as we know, the, for instance, the LNG exports, we know now that Speaker Johnson, when he spoke to President Biden, President Biden had no idea he signed a ban. He told Speaker Johnson that he thought he was signing a study of energy. That is unacceptable in my mind.

I would just like to say that, I brought this up on the House floor last week, 37 below in my hometown last year, or last week, rather. Wind, that is with the wind chill. I have got six children, five still at home. When it is 37 below and colder, I need reliable, clean, affordable energy. The windmills aren't going in northern Minnesota, they are frozen. The sun may not be shining. My 90-year-old mother and my 91-year-old father, to live comfortably in that cold weather for long periods of time, it is affordable, reliable, clean, non-intermittent energy that they need to stay alive.

I will now recognize, my time is up, I will now recognize Representative Ansari, the Ranking Member, for her 5 minutes.

Ms. ANSARI. I yield——

Mr. STAUBER. You are going to yield? OK.

You are up, ma'am.

Ms. ELFRETH. Thank you, Mr. Chair, and thank you to our witnesses for being here today.

Being new to the Committee, I really do want to dig in a little bit on some of the infrastructure challenges that we are experiencing as it relates to addressing the energy crisis that, like the Chair, I share and feel the pressure of for my constituents in my home district. But I want to get down to some of the details of

while we are, as Ms. Howell pointed out, energy independent and have been since 2018, why we are exporting more than we are importing to, in my view, the detriment of our constituents and addressing this energy crisis.

But before I get there, I want to hone in a little bit, representing a coastal community, Maryland, Chesapeake Bay, really concerned about doing, making sure that we are responsibly addressing some of these challenges. And Ms. Howell, thank you for bringing up the Deepwater Horizon disaster in the Gulf of Mexico. It is chilling to think what a similar disaster would look like for my constituents, for my State. It would be devastating. We talk about the economy. Absolutely devastating, not just to the watermen and the fishing community, but so much of my economy relies on a clean and healthy Chesapeake Bay and ecosystem.

So particularly interested in, the Chair mentioned some lessons learned, and I would just like to kind of dig through some of those lessons. And this is for anybody on the panel. But can we talk about some of the lessons learned from the Deepwater Horizon disaster? How do we avoid that moving forward? How do we ensure that we are not robbing Peter to pay Paul here?

Ms. HOWELL. I would like to take that up, if I can. The lessons of Deepwater Horizon are myriad. I think the most important lesson is that the failure that day was due to one man's decision. And his decision was made to cut costs. It has all been documented very clearly. And his decision cost lives and horror to the Gulf of Mexico, the economies, the fishermen, the tourism, and so forth.

When we looked at what could happen to the South Carolina coast in our organization, the important thing to remember is it is not like somebody just goes offshore and they drill a well and they go on home, and everything is fine, and we have more reserves. In order to support offshore drilling, you need onshore infrastructure. And the infrastructure has to go somewhere. And quite likely, it would end up in Winyah Bay, which is where I lived in South Carolina, or near Chesapeake Bay.

So, while I admire all the work that Port Fourchon has done over the years, even Port Fourchon is deeply at risk annually from hurricanes. It has been flooded many times. So, all of the chemicals and infrastructure that is there is put underwater.

I am particularly concerned for the East Coast, for the Chesapeake Bay, for Winyah Bay, and others that will have to suffer from the onshore impact and how that contrasts with our tourism economy. The Atlantic was developed as a tourist area, not like the Gulf. In 1953, the Gulf really started booming and, as a result, the central and western Gulf have become the oil field of today. We don't need that or want that in the Atlantic.

Ms. ELFRETH. Thank you, Ms. Howell.

To the rest of the panel, being new to this Committee and new to energy policy, I am particularly struck by this idea that we are exporting more than, I am sorry, we are importing, I am sorry, we are, thank you. We are importing 8.51 million barrels per day, but exporting 10.15 million barrels per day. I am not quite sure the American people are understanding that we are energy independent, and that we are exporting this significant resource out of the country.

If you were explaining this to the average citizen, how do you respond to the fact that we are not keeping those resources stateside to the benefit of addressing these energy crises?

Mr. WILSON. Congresswoman, I will take the natural gas side of that. I will mention on the crude oil side of that I don't think our refineries are capable of processing the crude oil that we produce in this country, at least in the Permian Basin and other parts of the continental U.S. And so exporting that provides us with a source of revenue to the American people, and it is a product that we couldn't refine here in the U.S.

On the natural gas front we have more natural gas than we need in the U.S. We can export that natural gas, we can meet all of our exporting needs, we can also meet all of our energy demand needs with the natural gas we have. The problem is infrastructure. You have to be able to get that natural gas from the supply centers to the demand centers. If we can do that, then exporting that natural gas, just like crude oil, provides revenue to the American people. It allows us to produce, it allows the single atmosphere we have on this planet to experience fewer emissions because we do it cleaner than anybody else on the planet, and it benefits the American people as a whole.

Ms. HOWELL. May I just add to that?

And, Mr. Wilson, I am sure you could speak to this. The natural gas that heats Chairman Stauber's home is likely not coming from the Gulf of Mexico, is it? Or would it come from any Gulf area or any offshore area? It comes from onshore, is that correct?

Mr. WILSON. I actually can't tell you where the natural gas comes that heats Mr.——

Mr. STAUBER. We will only take questions from the members.

[Laughter.]

Ms. ELFRETH. Thank——

Mr. STAUBER. Representative Elfreth, I want to apologize for not recognizing you by name. I apologize. It won't happen again.

Ms. ELFRETH. Thank you very much, Mr. Chair, and I yield back my time.

Mr. STAUBER. Thank you very much. We are now going to go to Representative Kiggans for 5 minutes.

Mrs. KIGGANS. Thank you very much, Mr. Chair.

Mr. Chiasson, throughout my time on this Committee I have been surprised to learn just how closely intertwined the offshore oil and gas industry is with the offshore wind industry. The industries have similar manufacturing needs, they pull from a similarly-trained skilled workforce, and the same companies that build vessels for oil and gas have been doing so for offshore wind projects along the northeast and Mid-Atlantic. As you said in your testimony, the skills honed in our offshore oil and gas industry now fuel a burgeoning renewables sector, including offshore wind.

And I represent Virginia's 2nd congressional district, so down in Virginia Beach, which is home to a very new and still-in-construction offshore wind project with Dominion Energy. Also in Virginia our governor and our Commonwealth has adopted an all-of-the-above energy approach. So we are very open-minded, and especially in my district.

So, this Committee has consistently advanced for, and also advocated for an all-above energy strategy, seeking a balance that keeps energy affordable, jobs growing, and our economies robust in States across the country. We lead the world in the efficiency of our oil and gas production, but America should lead in every form of energy. So, I am just wondering if you could tell me how do these two industries, the oil and gas industry and the offshore wind industry specifically, work together and complement each other?

I know that in my district also we compete sometimes for workforces. It has been interesting to watch offshore wind develop and see some of even our ship repair, ship building industries kind of complement and fill some gaps when they needed work with some of the offshore demand. So I am just wondering how oil and gas and wind can work to complement each other.

Mr. CHIASSON. Thank you, Congresswoman, for that question.

Look, I can tell you it is no secret that I have been talking about a balanced approach to energy for our Nation for many years now. I have been with the port for almost 20 years. With the advent of offshore wind, in particular offshore wind thought in the Gulf of Mexico, we have been talking about an energy addition for our country for all of those years, not to the detriment of oil and gas. We need to continue to produce that because we need it for our everyday lives.

However, you know, when it comes to everything that has been done in the offshore energy sector when it comes to offshore oil and gas, that is absolutely transferable to offshore wind. In fact, customers of Port Fourchon, our users are where the, some of the many companies that built Block Island, they are, we are actually retrofitting vessels in Port Fourchon at Bollinger Shipyard to work in the offshore wind industry in the northeast. So, it is absolutely transferable. Lessons learned over the years in the construction of offshore oil and gas projects can absolutely be transferred to offshore wind projects.

Mrs. KIGGANS. So, they can exist peaceably and also complement each other if done correctly.

Let's see, and for Mr. Wilson, Mr. Wilson, my district, again, in southeast Virginia, a beautiful and unique region, home to some of the Nation's most critical national security assets, as well, including the Navy, and some of the most beautiful beaches and the Nation's largest estuary, the Chesapeake Bay. Recreational and commercial boating and fishing are some of the region's biggest economic drivers, and the abundant wildlife and diverse ecosystems make the Atlantic coast and the Chesapeake a true national treasure.

So, for these reasons my constituents and I have serious concerns about the potential impacts of offshore oil and gas development off our coast. At the same time, we recognize our region's skyrocketing energy needs, given the increase in data centers, especially in Virginia, and the needs of the Navy, as well as rising energy costs. So, my question to you is, how can we ensure we are meeting our Nation's energy needs, reducing foreign reliance, powering our own defense industry technologies, and reducing energy costs for the American people without threatening the delicate ecosystems and

recreational economy by drilling offshore, especially in places like Virginia?

Mr. WILSON. Thank you, Congresswoman. Williams has not advocated for production off the Atlantic coast. We happen to supply 90 percent of the natural gas that goes into Virginia through our Transco pipeline.

As you know, Virginia is expected to triple its energy needs by 2030, double by 2030, triple by 2040. If we don't have the energy to supply the data centers you are talking about, we are going to lose ground on the national scale and on the world scale in terms of our national security.

We have a current project, the Southeast Supply Enhancement Project, which will serve Virginia, as well. It will serve enough natural gas to provide energy for more than nine million homes. We need to simplify our infrastructure permitting in this country so that those sorts of projects can go in. We take great care for the environment in and around our projects, and great care for our communities in and around our projects. I will just give you one quick example.

A project like the Southeast Supply Enhancement 20 years ago, we would have spent about $10 million on environmental permitting and achieved the same result we are going to achieve today, which is a very good result. Today we are going to spend over $100 million, and we are going to take a lot more time. So that cost is being borne by the American consumer.

So, if we can streamline our permitting, it will be cheaper for the American consumer. It will give Virginia the energy it needs, and everyone will be better off.

Mrs. KIGGANS. Agreed. Thank you.

And I yield back.

Mr. STAUBER. Thank you very much. The Chair now recognizes Representative Min for 5 minutes.

Mr. MIN. Thank you, Mr. Chair. Thank you to the witnesses for your testimony.

So, first question for you all: How many of you have taken an economics introductory class? Can you raise your hand if you have?

OK, let the record reflect all four raised their hands.

Can you raise your hand I you are familiar and remember the concept of negative externalities or negative external costs?

Only Ms. Howell is raising her hand and Mr. Tarpley looked like he was about to.

[Laughter.]

Mr. MIN. OK. Just as a refresher, you may remember from econ 101, negative externalities describe the indirect or hidden negative costs sometimes created by an economic transaction. The classic example, of course, is downstream pollution, where a factory discharges its waste into a river, which in turn creates unclean water that leads to cancer, health issues, maybe disrupts the fishing industry downstream. The negative costs of this pollution are not paid for by the factory or its consumers but are instead costs that society bears. We might call them hidden costs.

Now, offshore drilling is another textbook example of an economic activity that produces large negative externalities or hidden costs. This is not a disputed point. As we all know, burning fossil

fuels releases large amounts of carbon into the atmosphere, which has created a climate crisis that we are just beginning to wrap our heads around. According to the IMF, when you factor in these hidden costs related to carbon emissions, oil production costs our society over $7 trillion a year. We are seeing these costs accrue in the form of extreme temperatures across the world, including the 140-degree temperatures we saw in India last year, biblical-level disasters like wildfires, tornadoes, hurricanes, extreme drought, and flooding, and the like.

And here is the thing. In 100 years, when people look back at this time, they are going to say that the 2020s were uniquely benign, uniquely cool as far as our weather patterns. Our grandkids and great-grandkids are going to look back and say that these were the good old days. We are literally damning them to hell on Earth unless we aggressively reduce our carbon emissions. The negative external costs of oil production are so large as to potentially be an existential threat to our civilization.

Offshore drilling also produces other major hidden costs, which I want to briefly address.

First the threat of oil spills, which have been a recurring problem for California's coastlines over the years. In 2021, my district experienced a major oil spill off the coast of Huntington, which shut down our local coastal economy and brought outdoor recreation and tourism to a halt. And we dodged a bullet, as this was a small spill of only 25,000 gallons.

But here is the problem. It is increasingly becoming clear that, at least in California, the economics of offshore drilling mean it is a matter of when, not if, we will have additional oil spills. The oil rigs off our coast were built between the 1960s and 1980s, and are long past their shelf life. Production is in decline, and the original leaseholders have all long since sold off their leases to small, wildcat companies, which have no incentive to invest meaningfully in safety and soundness. To put it simply, offshore drilling has become a ticking time bomb for our coastline.

So, Mr. Tarpley, would you be surprised if I told you that California's coastal economy, our beautiful beaches, and tourism and innovation that we generate is quite valuable? Yes, or no?

Mr. TARPLEY. Yes.

Mr. MIN. You would be surprised?

[Laughter.]

Mr. TARPLEY. I understand how valuable it is.

Mr. MIN. It produces $1.7 trillion a year in value, according to NOAA. And Mr. Tarpley, I guess I will just ask you again, would you be surprised if I told you that oil drilling off the coast of California is very minuscule by comparison?

Mr. TARPLEY. That is correct.

Mr. MIN. That is right. Offshore oil drilling near California generates less than 0.006 percent of the value generated by our coastal economy. So, I will just ask Ms. Howell.

I will switch to you. Do you think that the potential risks to California's coastal economy are justified by the tiny amount of oil being produced there?

Ms. HOWELL. No, absolutely. There is no reason, sorry.

Mr. MIN. Now, another major hidden cost associated with offshore drilling is decommissioning costs, which I really haven't heard addressed too much here. But once these wells run dry, you have to plug them so they don't leak, dismantle the infrastructure so they don't create long-term problems. This costs a lot of money. Today over 78 percent of the 2,000-plus leases in U.S. waters or outside of U.S. waters are currently idle, which means the associated oil rigs are abandoned and need decommissioning. But instead of actually paying for these costs, all too often, oil companies abandon these obligations and declare bankruptcy.

In the last 15 years, there have been more than 30 chapter 11 bankruptcies of offshore operators, leaving U.S. taxpayers with $7.5 billion in liabilities. It is estimated that we have another $40 to $70 billion in further cleanup costs remaining, and these are paid for by the taxpayers. Is that not correct, Ms. Howell?

Ms. HOWELL. That is absolutely correct.

Mr. MIN. So, I want to just close with this. You may remember that last May Donald Trump, now the President, held a meeting with oil executives where he promised to slash environmental protections if the oil industry contributed $1 billion to his campaign. Perhaps coincidentally, in the months following, oil executives donated hundreds of million dollars to his campaign, as well as the campaign of many other Republicans campaigning on slashing environmental regulations.

This is the first hearing this Committee is holding since that time. And I guess my question is, when you think about the merits, whatever you think about the merits of offshore drilling, do you think, and I will ask this to Ms. Howell, that Americans might reasonably see this hearing as a form of corruption, where House Republicans are delivering on the pay-to-play promise that Donald Trump made last year to the oil industry?

Ms. HOWELL. Absolutely. The premise that we are——

Ms. HAGEMAN. I would request a point of order. I would request that the gentleman's words be taken down. I think he is a——

Mr. MIN. On what basis?

Ms. HAGEMAN. I think that he has maligned every single person on this side of the aisle——

Mr. MIN. I am——

Ms. HAGEMAN [continuing]. In terms of the hearing.

Mr. MIN. I am asking the witness if this is a reasonable question.

Ms. HAGEMAN. You have indicated that we are engaging in corruption.

Mr. MIN. No, I said is it reasonable for——

Ms. HAGEMAN. Mr. Chairman?

Mr. MIN [continuing]. Americans to believe that.

Ms. HAGEMAN. The gentleman——

Mr. MIN. Based on——

Ms. HAGEMAN. The gentleman——

Mr. MIN [continuing]. Things the, revenues——

Ms. HAGEMAN. May I speak?

Mr. STAUBER. The chair will——

Ms. HAGEMAN. May I speak?

Mr. STAUBER [continuing]. Take a moment to consider.

Mr. MIN. Thank you.

[Pause.]

Mr. STAUBER. The Chair, after conferring, we are going to, at the moment, allow them to stand. We are going to review those, the exact language.

Mr. MIN. Will she be allowed to ask the, answer the question? I asked her if it would be reasonable for people to assume that, the American people to assume that or believe it.

Mr. STAUBER. We are out of time right now. If somebody yields you time, Mr. Min——

Mr. MIN. Thank you. I yield back.

Mr. STAUBER. But we are going to review and make that determination as quickly as possible.

Mr. MIN. Thank you, I yield back.

Mr. STAUBER. The Chair now recognizes Representative Hageman from Wyoming for 5 minutes.

Ms. HAGEMAN. Thank you, Mr. Chair.

I think that the question at the beginning of the last set of questions was whether any of you had any economic background. My question for you is, do any of you understand the concept of opportunity costs?

Ms. HOWELL. Yes.

Ms. HAGEMAN. OK. It is an important concept, isn't it?

Ms. HOWELL. Yes, it is.

Ms. HAGEMAN. I wish that the folks on the other side understood the concept of opportunity cost.

I also wish that they that they understood the concept of energy poverty, because it is the policies that they have been pushing——

Mr. MIN. Point of order. She is suggesting that we don't understand the concept, and I would just rebut that. I think she is maligning our side here. I actually do understand the concept of opportunity cost.

Mr. STAUBER. Overruled.

Ms. HAGEMAN. The Port of Fourchon, Mr. Chiasson, is, did I say that correctly?

Mr. CHIASSON. Yes, Chiasson, but that is——

Ms. HAGEMAN. Chiasson.

Mr. CHIASSON. Thank you.

Ms. HAGEMAN. All right. The Port of Fourchon plays a critical role in offshore energy production, supporting a vast network of workers and suppliers across the country, including in Wyoming. Wyoming-based companies manufacture equipment and provide services that support offshore oil and gas operations. But restrictions on leasing impact supply chains beyond just the Gulf Coast.

Gulf energy revenues benefit States throughout GOMESA, but Wyoming receives no similar revenue-sharing from energy production on Federal lands. Should Congress revisit how energy-producing States are compensated for leasing on Federal lands and waters?

Mr. CHIASSON. Thank you for that question. Yes, I do believe we need to relook at revenue sharing.

Ms. HAGEMAN. OK. And Mr. Wilson, Wyoming's natural gas industry is closely tied to Gulf Coast export facilities which rely on a steady offshore oil and gas production. The Biden administration's regulatory delays for offshore leasing mirror policies

restricting drilling on Federal lands in Wyoming, raising concerns about a broader trend of Federal overreach in U.S. energy policy.

Wyoming's natural gas pipelines interconnect with Gulf LNG facilities. If offshore production is restricted, what impact would that have on Wyoming's ability to move natural gas to export markets?

Mr. WILSON. Well, the natural gas market is a global market. It is also a national market. So, any restrictions in any areas on natural land are going to impact other areas of production.

Ms. HAGEMAN. So, it will have an impact on Wyoming if they——

Mr. WILSON. I think it will have an impact on all portions of the natural gas industry, yes.

Ms. HAGEMAN. From a legal perspective, do you see a coordinated effort by Federal agencies to curtail U.S. energy production across multiple sectors?

Mr. WILSON. I mean, what I can tell you is that over the last 4 years we have seen more difficulty in acquiring permits in the small E&P production that we do have. We have seen more difficulty in acquiring Federal permits, although I will say that FERC is operating in a very efficient manner right now, and has been for the last couple of years. But generally, yes.

Ms. HAGEMAN. Mr. Tarpley, restrictions on offshore leasing impact workforce mobility and job opportunities. Wyoming is rich in critical minerals and rare Earth elements, which are essential for offshore drilling technologies. Federal leasing delays could disrupt domestic supply chains for these minerals. Offshore drilling requires specialized metals and components, some of which are sourced from Wyoming's mining industry. Have Federal leasing delays impacted demand for domestically-sourced critical minerals, pushing such production overseas?

Mr. TARPLEY. I certainly think that regulatory slowdown and delays has affected demand, and it has also affected the workforce and everything throughout the supply chain. So, yes.

Ms. HAGEMAN. So one of the things that has been very critically important that I have watched over the last 4 years relates to the idea again of opportunity costs. And when we talk about opportunity costs in the context of offshore drilling, Mr. Wilson, could you explain a little bit about what I might be referencing in that regard?

Mr. WILSON. I hate to get, try to get in anyone's mind, but what I can tell you is that, to the extent we are not producing it in the Gulf, somebody else is producing it. We have one atmosphere, and emission that occurs in Australia or Asia is no different than an emission that occurs in the U.S. We produce our oil and natural gas in the Gulf in a manner that is cleaner than anybody else in the world. And it seems like the last place we should begin, if we are worried about emissions reductions, is U.S. oil and natural gas production.

Ms. HAGEMAN. Mr. Chiasson, have you, did we see a decrease in domestic energy use in the last 4 years?

Mr. CHIASSON. Domestic energy use? No.

Ms. HAGEMAN. OK. Did we see a decrease in domestic energy production?

Mr. CHIASSON. It has increased.

Ms. HAGEMAN. OK.

Mr. CHIASSON. Yes.

Ms. HAGEMAN. But our demand for energy is increasing essentially every day, isn't it?

Mr. CHIASSON. Absolutely. And having a certainty in the process, again, it was mentioned before. If we don't continue to lease lands and explore for oil and natural gas in other areas of the Gulf of Mexico, production will begin to decrease.

Ms. HAGEMAN. And we will have to get it from somewhere else, won't we?

Mr. CHIASSON. Yes, ma'am.

Ms. HAGEMAN. Thank you, I yield back.

Mr. STAUBER. Thank you, Representative Hageman. We will be ruling on your point of order.

The Chair now recognizes Representative Rivas for 5 minutes.

Ms. RIVAS. Thank you. You know, I want to focus on the public health crisis that offshore oil drilling causes. I represent the San Fernando Valley, specifically a part of the San Fernando Valley which is in the city of Los Angeles that has a history of environmental racism. It has plagued my community, it is where I grew up, you know, went to school with kids that had asthma, families with lung disease, other health issues that are a result of redlining, of being surrounded by air pollution due to freeways and other polluting industries.

And, you know, my community has become a sacrifice zone, you know, where the health of Black, Brown and low-income communities suffers for the benefit of these industries. And not dissimilar to how communities like cancer alley in the Gulf have become a sacrifice zone to offshore drilling. You know, the reality is offshore drilling is creating a public health crisis and polluting our environment, and so my question is for Ms. Howell.

Former President Biden announced the withdrawal of future oil and natural gas leasing for 88 million acres of Southern California coastline. On day one President Trump, in his first day in office he signed an executive order that would reverse this decision. If he successful in this withdrawal, can you expand on how offshore drilling impacts the health of local communities like mine that have become a sacrifice zone?

Ms. HOWELL. Yes, thank you for that question. In two ways health is impacted by offshore drilling.

The first is directly by the onshore, which you referred to as cancer alley, the part of southern Louisiana that experiences significantly higher-than-average cancers and asthma and other health conditions. The onshore infrastructure that I alluded to before is the danger to the people who live onshore, obviously, and their health.

An interesting story. When we started SODA, a friend of mine who is an African American woman in Georgetown went to a meeting sponsored by the American petroleum industry in Charleston. They, in describing the benefits that they said that were going to come to our area, put a chart up on the wall of Winyah Bay, our Chesapeake Bay, and pointed to the area where they wanted to put the onshore infrastructure. It was the African American community in Georgetown. So, they target, I mean, clearly, they target, communities that don't have the power and resources to be able to

fight these things. So obviously, onshore infrastructure was really important to us.

The second, of course, is the increase in CO_2 emissions. The amount of CO_2 emissions from fossil fuels need continue to be reduced. The impacts that we are seeing right now in terms of floods, fires, in western North Carolina a third of our State was impacted by Hurricane Helene, there are people still living in tents in the winter in the mountains because of the damage that was wrought directly related to offshore and onshore, for that matter, oil and gas emissions and the high CO_2 content. Even Mr. Wilson's company, Williams, has been buying into carbon sequestration companies to be able to help address this issue. So, I know it is also near and dear to them. We have got to do something about the CO_2 emissions.

Ms. RIVAS. Thank you for sharing that. You know, I think these impacts are devastating to communities, especially, like you mentioned, those that have traditionally been seen as not having power. But it is one of the reasons I am here. You know, I am a member of that community, as a Latina, and that represents an environmental justice community.

You know, these are our families that our grandparents, our children that are suffering the health impacts of this polluting industry.

And, you know, these disasters, you know, are not limited to just the Atlantic coast. It is Southern California that has been a victim of the oil and gas industry. You know, these disasters are not, they don't just impact our health, but just also our ocean economy, right, you know, that a lot of us rely on or use for recreation, even though we don't live directly along the coast. You know, our tourism is affected and, you know, industries like fishing that are critical to the economic success of our region.

But healthy oceans and clean coasts, you know, help a lot of these small businesses succeed, and we must preserve our coasts for future generations and protect these critical coastal economies. You know, we have to protect our coasts from drilling and work to transition to a clean energy economy so we can create a livable future for the next generation.

I yield back.

Mr. STAUBER. Thank you very much. The Chair now recognizes Representative Higgins from Louisiana for 5 minutes.

Mr. HIGGINS. Thank you, Mr. Chairman. I very much am grateful to the Committee for allowing me to waive on today. I am going to speak to two of my bills that are pending, and I am going to ask for consideration of Committee members on both sides of the aisle: H.R. 513, the Offshore Leasing Authorities Act, and the Federal Lands and Waters Leasing Transparency Act. These bills are vital to restoring the certainty of offshore oil and gas leasing, and ensuring America can continue as a global leader in energy production, job creation, and national security.

Mr. Chairman, in the last days of the Biden-Harris Administration, over 625 million acres were withdrawn from potential development. And I think it is important for my colleagues on both sides of the aisle, particularly in this Committee, to recognize that America has a responsibility to the entire world to lead the free

world in the production of clean, affordable, transportable energy product. This is a vital role that we play.

And although politically, you know, a Nation can trend one way or the other depending upon the executive in power, that responsibility to lead the world in energy production never wanes. Because when the Biden administration closed 625 million acres to clean, safe, reliable production of affordable and transportable energy product, there was zero acreage closed in China and Russia.

So the gentleman spoke to increased consumption anticipated over the course of the next couple of decades. The consumption is not going away. So, if you care for your planet, which I do, then you should embrace the American energy industry which produces the cleanest energy product in the entire world. It is quite simple.

So, threatening the future of energy production is exactly what happened when you closed 625 million acres, hampering States like Louisiana and undermining local economies that are tied to offshore production like Port Fourchon. The Offshore Leasing Authorities Act, my bill, 513, reverses these withdrawals and implements a stable, predictable framework for future leasing, ensuring that we remain the global leader that we are called upon to be in responsible energy production.

Equally important, the Federal Lands and Waters Leasing Transparency Act addresses the long-standing challenges posed by current leasing process. In the existing process, Federal regulators often reject bids. There is not a time frame locked in. It doesn't work well. It must be streamlined. My bill addresses it.

So, I am going to ask that the Committee give due consideration to these bills in the coming weeks, and I encourage any communication from my colleagues on both sides of the aisle regarding, you know, the righteousness of the direction that we should embrace for America's energy policy. I encourage those conversations, and I welcome the questions.

Mr. Chiasson, welcome, sir. Thank you for being here. I am honored to serve you and represent you. Given Port Fourchon's pivotal role in offshore energy operations, can you speak to what limiting significant acreage for production and prolonging lease approvals, what harm that would bring to America's economy, and how would it erode America's energy dominance in the world?

Mr. CHIASSON. Certainly. And in this economic report that I produced for the record, it shows, that API had EIAP do, it talks about the impacts of having a certainty, and having lease sales and a certain lease sale, having a, you know, a program, a 5-year plan that is, you know, continuous. And we have, you know, two lease sales a year, and it highlights the impact to the GDP, to construction, to jobs, and to all of those other economic data points that we love to talk about.

Mr. HIGGINS. Significant impact on the gross domestic product would you say is what we are discussing here?

Mr. CHIASSON. Yes, sir.

Mr. HIGGINS. OK. I thank the gentleman.

I have further questions, Mr. Chairman, I will submit to the panel in writing.

Mr. HIGGINS. Again, I am very appreciative to being allowed to waive on to the Committee, and I yield.

Mr. STAUBER. You are welcome. Thank you very much. The Chair now recognizes Representative Velázquez for 5 minutes.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman, and thank you to all the witnesses for being here today.

Ms. Howell, I represent a district in New York that has been coping with the issue of oil spill, the one that took place in 1978 and again in 2013 by the Exxon Mobil spill. You highlighted how coastal communities bear the brunt of oil spills. Can you expand on these impacts, such as loss of tourism, fishing revenue, and long-term environmental damage, and how spills spread beyond their source?

Ms. HOWELL. Yes, absolutely. As I mentioned, in South Carolina, we looked very closely at the revenue that the coast receives just from tourism, just a forecast of tourism, against the API's study of what they anticipated revenue would come to the State of South Carolina from offshore oil and gas drilling. The very conservative forecast we put together indicated that we received 26 times more income in South Carolina than the best-case scenario that API put out.

So, oil to South Carolina is only worth 1/26, at best, of South Carolina's benefit from offshore tourism. That doesn't even begin to address the seafood industry, the number of people who have moved to South Carolina, the real estate market, and so forth.

To New Yorkers, you need to be on the lookout because the primary interest in the Atlantic is actually north of, toward the Chesapeake Bay, on the northern coast of North Carolina. And that area is taken over in the ocean by what is called the Labrador Current. So, any oil that would be spilled in that area would be moving up along the coast from the Labrador Current. So, New York would definitely be seeing impacts of offshore spills.

Ms. VELÁZQUEZ. I am really proud that New York banned oil and gas exploration, production, and development in our coastal waters.

Ms. HOWELL. Yes.

Ms. VELÁZQUEZ. It is time for us to move beyond drilling on our coasts and look to expanding opportunities for clean energy, like offshore wind. Under the Biden administration, there were six offshore wind lease sales in New York Bight, which are projected to generate seven gigawatts of energy, enough to power two million homes. Yet the Trump administration announced they will block new leasing and permitting for offshore wind.

Ms. Howell, why do you see offshore wind as a better opportunity for energy development in the Atlantic compared to drilling?

Ms. HOWELL. Well, certainly talking about clean, efficient, and inexpensive fuel, offshore wind is way ahead of anything oil can offer.

It is important, I think, that this Committee's jurisdiction includes wind development. And yet this, the whole conversation that the President has put forward that we need offshore drilling to accomplish our energy needs I find a limited view of your jurisdiction.

Ms. VELÁZQUEZ. And can you——

Ms. HOWELL. So——

Ms. VELÁZQUEZ. Can you talk about the long-term benefits to offshore wind?

Ms. HOWELL. Oh, sure. As Representative Min brought up, even after you get all the oil and gas out of the ground you still have to decommission all the onshore structures. Onshore structures are a challenge to fishing and boating in the area. There are a variety of reasons you don't want to site offshore structures near a busy port like New York.

Ms. VELÁZQUEZ. Thank you. I yield back.

Mr. STAUBER. Thank you very much.

Before we go to Representative Ezell, the Chair would like to, by unanimous consent, enter into the record a letter from Representative Velázquez and six other House Democrats from the great State of New York demanding that utilities immediately provide increased natural gas hookups in their districts, despite opposing the very infrastructure that makes that possible.

Without objection.

[The information follows:]

Congress of the United States
Washington, DC

September 26, 2019

John Pettigrew, Chief Executive
National Grid
P.O. Box 11741
Newark, NJ

Dear Mr. Pettigrew:

We write to express our serious concerns regarding your company's decision to place a moratorium on new residential, business and industrial accounts in Brooklyn, Queens and Long Island until the New York State Department of Environmental Conservation approves an extension of the existing Transcontinental Gas Pipe Line Co.'s pipeline. Many small businesses are at risk of failing,[1] affordable housing units are being delayed,[2] and residents may have to scramble to find alternative heating equipment or, we fear, go without as winter approaches.[3] This is unacceptable. Therefore, we are requesting a detailed implementation timeline on how you plan to provide service to the 2,600 customers who are currently in your service backlog.

After reviewing documentation provided by your company, we remain very worried about the lack of gas service to new customers. Though we can appreciate your concerns about the long-term impact on National Grid's ability to sustain gas delivery service with its current infrastructure, *in no way* does the current plan appropriately address those who require gas for business today and will require it to warm their homes as the weather gets colder. As National Grid is the sole gas provider in the area, those who need the service have no other utility options. Though accessing alternative resources to provide gas, such as purchasing it at spot prices, may not be the best alternative for National Grid, having no heat in the winter is not acceptable for any resident in your service area.

In addition to the lack of residential services, we are sure you can understand how this decision has negatively impacted small business constituents. For example, the Almonte Family was scheduled to open their restaurant in Bushwick in June but have been delayed indefinitely, putting their business at risk. Additionally, a constituent that previously had gas service but, following building renovations, was informed that his request for resumption of service was on hold until the Northeast

[1] Mogul, Fred *National Grid Battle With Cuomo Strands Thousands Without Gas, Gothamist* https://gothamist.com/news/national-grid-battle-cuomo-strands-thousands-without-gas

[2] Brachfeld, Ben *National Grid is Denying Gas To New Affordable Housing Projects*, Bklyner, https://bklyner.com/national-grid-is-denying-gas-to-affordable-housing-projects/

[3] Raskin, Sam National Grid's Gas Moratorium: Everything you need to know, Brooklyn Daily Eagle, https://brooklyneagle.com/articlcs/2019/09/18/national-grid-gas-moratorium/

Supply Enhancement Project is approved which will have a direct impact on his tenants.

By stating that your company will begin offering services only if the application for the Northeast Supply Enhancement Project is approved, National Grid is essentially using customers as leverage to secure regulatory approval for an environmentally questionable project.

Regardless of whether this is an intentional tactic or the result of poor business planning, it is apparent to us that your company's practices are inflicting significant hardship on your ratepayers—our constituents. It is incumbent on your company to ensure gas service is made available regardless of the status of permits, approvals and construction on any future pipelines. Time is of the essence. We therefore ask you to provide us with a detailed plan as to how you intend to supply service to affected ratepayers by October 11th.

Sincerely,

Nydia M. Velázquez
Member of Congress

Gregory W. Meeks
Member of Congress

Max Rose
Member of Congress

Yvette D. Clarke
Member of Congress

Jerrold Nadler
Member of Congress

Grace Meng
Member of Congress

José E. Serrano
Member of Congress

Mr. STAUBER. Mr. Ezell, you are up.

Mr. EZELL. Thank you, Mr. Chair, and thank you all for being here today and being a part of this. It is very important.

I can't sit here and not be amazed at how much change has happened over a short period of time. In the 1980s, our leasing programs averaged about 40 scheduled sales each. Fast forward to 2024 under the Biden administration. Not a single lease took place. In 2025, we can only cross our fingers and hope for a single sale opportunity in 2025. This is war on the American economy. While we have tools, resources, and workforce to produce our own energy, the United States has continued to rely on imports that weaken our national security and drive up prices for the American families. These policies, including the delayed 2024 through 2029 gas leasing program, have only made matters worse.

Fortunately, President Trump signed an EO titled, "Unleashing American Energy" on his first day in office. This action reverses the Biden administration's disastrous policies, and puts the United States on a path not just toward energy independence, but also energy dominance. I look forward to building on the President's EO as I re-introduce a version of my good friend's bill, former Representative Garret Graves's BRIDGE Act, soon.

Mr. Chiasson, to ensure long-term energy security, offshore oil and gas must be consistent and sufficient to meet future needs. Mr. Chett, can you explain, Mr. Chiasson, can you explain the timeline for how long it takes oil and natural gas to be drilled, produced, and delivered to the consumer in context of the Federal leasing program?

Mr. CHIASSON. Yes, sir. Thank you for that question.

Basically, it is about 10 years from lease being purchased to first production. And billions of dollars of investment, which makes a port like mine busy. So, you know, it is important for us to understand that there is a long timeline, a long lead time to get to production from a lease.

Mr. EZELL. Under the Biden administration's 2024 to 2029 offshore 5-year plan, only 3 lease sales are scheduled. Is that enough to ensure the flow of oil and gas without risking supply gaps?

Mr. CHIASSON. No, sir. It is not.

Mr. EZELL. How many lease sales per year are needed, at a minimum, to maintain our stable energy supply?

Mr. CHIASSON. Two lease sales a year.

Mr. EZELL. Two a year.

Last Congress, oil and gas production in the Gulf of America was nearly shut down due to the Biden administration's allowing key authorizations like the biological opinion and NIPED's general permit to expire without new ones ready to take their place. How important is it that Congress to, ensure that the permits and authorizations needed to develop American energy are predictable?

Mr. CHIASSON. It is critically important for the certainty and continuum in the process for jobs and for just the standard of living in America.

Mr. EZELL. Will better Federal permitting lead to more investment in the Gulf of America and Mississippi, creating a better economy and more jobs?

Mr. CHIASSON. That is the hope, yes.

Mr. EZELL. Yes, sir. Thank you. And I have enjoyed catching a lot of your fish down there out of Port Fourchon on more than one occasion.

Mr. CHIASSON. Thank you very much.

Mr. EZELL. Thank you, Mr. Chairman, I yield back.

Mr. STAUBER. Thank you very much. The Chair now recognizes the ranker of this Committee, Representative Ansari, for 5 minutes.

Ms. ANSARI. Thank you, Chair.

You know, not too long ago it is my understanding that almost every Republican on this Committee boasted of supporting an all-of-the-above energy portfolio, which did include wind and solar. But as clean energy began to threaten the fossil fuel market's dominance, it seems that the fossil fuel industry has gone on the offense because when you threaten the fossil fuel industry they tend to wage war. They have long bankrolled disinformation about renewable energy and climate change. This is well documented. The FBI has investigated Exxon lobbyists for a hack-and-leak operation that targeted hundreds of oil industry critics.

Now offshore wind is their target. As its development has taken off, fossil fuel interests are afraid that they could lose market dominance. So in a last ditch attempt to hold on to their power, big oil is now funding groups that claim to be grassroots and for the environment, but in reality these groups are working hard to convince people that wind turbines cause cancer and kill whales. It is shameless, it is desperate, and it is dishonest work.

It is clear that these corporations have successfully lobbied President Trump and convinced him of these falsehoods, as well.

But just because the President is catering to big oil and is repeating their lies about wind turbines causing cancer doesn't mean that the rest of the world is changing course. So that brings me to my questions.

Mr. Tarpley, do you know how much operational offshore wind capacity exists worldwide?

Mr. TARPLEY. I do not.

Ms. ANSARI. So, the answer is almost 81 gigawatts. That is enough energy to power 60 million homes.

Do, also for you, Mr. Tarpley, do you know how much of that capacity is in China?

Mr. TARPLEY. I do not.

Ms. ANSARI. More than half, 41 gigawatts. The United Kingdom is in second place with 14 gigawatts. The United States isn't even close. But we could be if we were dedicated to growing this essential and job-creating industry.

Around the country, we have an opportunity to build some of the first floating offshore wind turbines in the world. We have the potential to export American innovation across the globe. But if we pause this industry, we will lose that potential, and the industry will be taken over by our adversaries.

Mr. Chiasson, this question is for you. With opportunities in shipbuilding, manufacturing, and more, Louisiana and Port Fourchon in particular stand to benefit from offshore wind, is that correct?

Mr. CHIASSON. Yes, we would benefit.

Ms. ANSARI. So, if Trump succeeds in killing the offshore wind supply chain, we will be ceding American dominance to our adversaries. If he succeeds in killing American, if he succeeds in killing the offshore wind supply chain, we will be ceding American opportunities to our adversaries. We could have ships from Louisiana built with iron and steel from Ohio and Minnesota servicing offshore wind farms across the globe. But instead, it may just be from China.

Instead of stepping up to win this competition as the previous administration was doing, and instead of acknowledging that the climate crisis is real, like the rest of the free-thinking world has done, Trump is betting on dominating the shrinking market of fossil fuels. It is like betting everything on being the world's biggest typewriter manufacturer in the 1990s.

I understand that not long ago many House Republicans here supported a technology-neutral approach. Given everything that has been said and the fact that we are losing this competition to our adversaries, I strongly urge my colleagues to reconsider this oil-only approach.

I yield back.

Mr. STAUBER. Thank you very much. The Chair now recognizes Representative Begich from Alaska for 5 minutes.

Mr. BEGICH. Thank you, Mr. Chairman. My question is for Ms. Howell.

Do you support offshore drilling anywhere?

Ms. HOWELL. I think where it is already operating in the Gulf of Mexico, in the very specific area in the Gulf of Mexico, they are doing the best they can to keep clean oil coming to America.

Mr. BEGICH. Do you support——
Ms. HOWELL. Surprised?
Mr. BEGICH. I am sorry?
Ms. HOWELL. Were you surprised?
Mr. BEGICH. I am glad to hear that you support that. Do you support offshore drilling in Africa, China, or other regions outside of the United States?
Ms. HOWELL. You know, those areas are mostly drilled by American companies and by the colleagues that I used to have who work the rigs in the Gulf. So, I think it is important for the workforce that those jobs are available.
And they are happy, my best friend has traveled all over the world drilling for other countries, and our oil companies benefited from that.
Mr. BEGICH. So, you believe that they are operating with high-quality, high-standard practices because they are American drilling companies——
Ms. HOWELL. Most——
Mr. BEGICH [continuing]. Even if they are overseas?
Ms. HOWELL. Most of the offshore drilling that is done by American oil companies, I have been on some of those rigs myself in the North Sea, I can say are of the same caliber as what is being drilled in the Gulf of Mexico.
Mr. BEGICH. Do you believe that the regions that they are drilling in overseas are any more or less valuable as ecosystems than U.S.-based ecosystems?
Ms. HOWELL. Of course they are.
Mr. BEGICH. So, they are equivalent, they are equivalently valuable?
Ms. HOWELL. Yes.
Mr. BEGICH. OK. So, we have established that we have——
Ms. HOWELL. This is an international industry. We are talking about——
Mr. BEGICH. I understand that.
Ms. HOWELL. OK.
Mr. BEGICH. So we have established that American companies have high standards, regardless of where they are drilling. We have established that those ecosystems are no more or less valuable than ecosystems in the United States. So given those high standards, and given the fact that we have equivalency among ecosystems, why would you then oppose offshore drilling by American companies in U.S. waters?
Ms. HOWELL. Because, thank you, sir, for that question, because our coasts have already established economies that are not consistent with the onshore infrastructure and offshore drilling and the potential spills for offshore drilling. We have an incredible economy on both coasts, on both the Atlantic and Pacific coasts that will be damaged by offshore drilling.
It also strikes me as odd that we haven't talked at all about onshore drilling. We acknowledged at the very beginning our offshore resources are only 20 percent of U.S. supply. What has gone on in the Permian Basin and during the shale revolution has made America more secure than opening up one more lease in the Gulf of Mexico. So——

Mr. BEGICH. You know, it is——

Ms. HOWELL [continuing]. I don't understand the push, except to keep these folks employed, the push to continue to expand drilling in the Gulf. It doesn't——

Mr. BEGICH. So, you——

Ms. HOWELL [continuing]. Make any sense.

Mr. BEGICH. So, you mentioned that economic development is a strong consideration and existing economies are a strong consideration. So, money matters to you——

Ms. HOWELL. Of course.

Mr. BEGICH [continuing]. When it——

Ms. HOWELL. I am a good capitalist. I went to Harvard Business School.

Mr. BEGICH. So let me just take a moment and mention some of the terms that have been raised by my colleagues today: environmental racism, energy crisis, climate crisis, cancer alley, sacrifice zone, public health crisis, environmental justice, polluting industry, victim of the oil and gas industry. This is unhelpful rhetoric. It does not advance the quality of the conversation, nor is it data-driven.

Ms. HOWELL. Most of that rhetoric——

Mr. BEGICH. You know, so——

Ms. HOWELL [continuing]. Came from the Republican side.

Mr. BEGICH [continuing]. I am not referring to you right now.

Ms. HOWELL. I am sorry.

Mr. BEGICH. My time is limited, I appreciate that.

You know, the same voices that call on wind and solar, and they say that these are clean sources of energy, also in a hearing here last week called the mining necessary to support those forms of energy, they called that mining dirty. Are we talking about clean energy or are we talking about dirty energy? It is very confusing. And I think this is a duplicitous level of double-speak that is actually code for let's not do anything in the United States, and let's send development to jurisdictions with lower standards, poor records, and I think that is unhelpful and it does not allow us to advance high standards that, as the witness acknowledges, are adopted and used by American energy companies.

Thank you, and I yield back.

Mr. STAUBER. Thank you very much. The Chair——

Ms. HOWELL. May I respond to that?

Mr. STAUBER. No, ma'am.

Ms. HOWELL. OK.

Mr. STAUBER. The Chair now recognizes Representative Levin for 5 minutes.

Mr. LEVIN. Well, thank you, Mr. Chairman. It is good to be back in the Natural Resources Committee room. I couldn't get enough of Natural Resources, I had to come back. Good to see my friend, Chairman Westerman, as well. Sorry to be not in the conversations. After 6 years on the Committee, I can tell all the new folks this is a great Committee. You are going to have a lot of good conversations, and hopefully find some common ground.

I have the great honor to represent California's 49th congressional district in Southern California, 50 miles of beautiful coastline in Orange and San Diego counties. I am biased, but I think

it is the most beautiful district in the United States. Come visit any time. And I think you all know that our economy relies very heavily on the vitality of the coast, of our beaches, our marine life, and all the ocean-dependent businesses that drive tourism and other activities. It is tens of thousands of local jobs and billions of dollars of economic activity in Orange County, where I live, and in San Diego County.

And we know firsthand the real risks that offshore drilling poses to our community. And it is not theoretical. Just a few years ago, a 126,000-gallon spill from a leaking pipeline covered an area larger than many cities, a very large area, with oil. I remember being on a plane, looking at it all, and then going and seeing fish and birds and marine life just dead on the coast of Orange County. That is why it is, I think, worth mentioning in this discussion today that the President and many here want to expand offshore drilling everywhere, and that includes potentially on the coast of Southern California.

And I just want to remind my colleagues that a majority of the people that I serve, a wide majority, Republican elected leaders, Democratic elected leaders, cities that are three-two and four-one Republican cities, nobody really wants more drill rigs off the coast of Southern California. With that I will turn to my questions, and I will start with Ms. Howell.

The U.S. is already the number-one producer of oil and gas in the world. At this point the more oil we produce domestically the more we export rather than domestically consume. I hear the argument a lot that we should be producing more to solidify our own energy security and energy dominance. By the way, I want energy dominance, too. I will get to that later. But then, at the same time, I hear that we want to double down on LNG exports. But it seems like simple math to me: the more you export, the less you have for domestic consumption. And some of the data I have seen from the Department of Energy supports that. They say that unconstrained exports of LNG would increase wholesale domestic natural gas prices by over 30 percent, translating to an increase in costs for the average American household by well over $100 per year.

So, Ms. Howell, can you opine on that and discuss what you understand to be the impact of unrestrained LNG export?

Ms. HOWELL. Well, I think you certainly hit the nail on the head. Oil and gas is a limited, non-renewable resource. The more you produce and export, the less you have for your own needs domestically.

Interestingly, no one has commented about the source of the LNG. This liquefied natural gas, the original natural gas, primarily comes from onshore. It is not that, there is not that much gas being drilled offshore right now. And to think that we are using our onshore supplies, cheaper, easier to oversee, easier to produce, easier to drill, that the best stuff we have we would prefer to get rid of than, to other countries, than to keep for our own future needs, I think, is baffling.

I am also surprised that we are not talking about why it is so urgent that we expand offshore drilling. What is the, why? We are the world's largest producer of oil and gas. Why in the world would we want to drill up those reserves now——

Mr. LEVIN. I——

Ms. HOWELL [continuing]. When they are worth much more to us down the road where they are?

Mr. LEVIN. I appreciate your comments. And I would just add that what could be, you know, derived from Southern California, such a drop in the bucket compared to the overall——

Ms. HOWELL. Oh——

Mr. LEVIN [continuing]. Picture that, given the environmental harm and the environmental risk, that is why it is overwhelmingly opposed by my local Republican and Democratic elected officials.

I will just close by saying it is great to be back in the room. I hope to come back from time to time. We all want energy dominance. I want to see clean energy dominance.

Mr. Chairman, I will yield back.

Ms. HOWELL. Offshore wind.

Mr. STAUBER. Representative Levin, you are always welcome in this Committee, and I appreciate your comments.

Before we go on to Representative Hurd, I ask unanimous consent that the following document be entered into today's record. It is from the S&P report that confirms the U.S. holds more than 35 years of economically recoverable natural gas reserves, approximately 1.3 trillion cubic feet.

Without objection.

[The information follows:]

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The full document is available for viewing at:

https://docs.house.gov/meetings/II/II06/20250211/117868/HHRG-119-II06-20250211-SD007.pdf

Mr. STAUBER. We will go to Representative Hurd for 5 minutes.

Mr. HURD. Thank you very much, Mr. Chairman. Good morning.

Mr. Wilson, it is great to have you here. Thanks for coming. I represent Colorado's 3rd congressional district, which is basically half of the land mass of the State, and part of the district includes the western slope, which does not have any offshore production but we are very proud of our energy production in that part of the State. We are very rich in natural resources. According to the U.S. Energy Information Administration, my region provides 4 percent of the total crude oil and 8 percent of the Nation's natural gas reserves.

One impediment I know to increasing production and lowering costs for my constituents and for Americans across the country is the need for additional pipeline infrastructure. I understand that Williams owns and operates significant assets in my district, I think to the tune of 1,800 miles of pipeline and 200 good-paying jobs. Can you talk about some of the challenges Williams faces when it comes to pipeline capacity and permitting adequate infrastructure?

Mr. WILSON. Yes, thank you, Congressman, for that question.

The U.S. has increased its natural gas demand by 43 percent in the last 10 years. We have seen an increase in infrastructure related to natural gas of about 25 percent. That is not a recipe for good policy-making.

Our challenges, and the reason why we are sort of out of balance in terms of the infrastructure and the demand comes directly from Federal regulations under NEPA, comes from the Clean Water Act. And let me be clear, Williams is absolutely committed to complying with the Clean Water Act. We are absolutely committed to complying with every environmental regulation that we have. The problem is those regulations are duplicative. We get stuck in litigation over minor issues, which don't change the environmental outcome of a project at all. And States that have decided that they just simply don't want more infrastructure, even though it increases their energy costs, have decided that they will use the Clean Water Act as a weapon.

So, what we have asked Congress to do is to move that analysis and that permit into FERC. FERC already does a NEPA analysis. They already look at whether or not one of our projects impacts water, and they already reached conclusions that they don't substantially impact water. So why are we doing two different analyses of the same issue and then allowing a State, on a local basis, to veto an interstate pipeline project that is going to benefit both that State and States around it?

So, we need to reform NEPA, we need to make this process a lot faster. We need to change the judicial review standard for these projects so that we don't have courts that are sending back NEPA, finding small NEPA violations and then vacating certificates or stopping projects when the whole purpose of NEPA is disclosure. So, we need to reform the Clean Water Act process, we need to reform the NEPA process, and we need to reform the judicial process around those things.

Mr. HURD. Thank you very much, Mr. Wilson.

Mr. Tarpley, you mentioned that production from the Gulf of America results in some of the lowest carbon barrels of oil. Can you explain why that is?

Mr. TARPLEY. It is a combination of a number of things. One, we have the best technology in the United States. The companies I represent, they have put billions and billions of dollars into research and development over the years on offshore technology, and we are now seeing the fruits of that technology, and it is getting better every year.

We also have the expertise. Our companies are the best in the world. They have the best and the brightest, who know how to do these procedures as efficiently as possible. And as we talked about other basins around the world, as they look to develop their own basins they come to us. They come to our people because we have the best technology and the best expertise.

Mr. HURD. So, it is a function more of the technology, it is not necessarily geography-specific?

Mr. TARPLEY. That is correct, yes.

Mr. HURD. So, do you know how the global offshore expansion happening in Saudi Arabia that you mentioned in your testimony, do you know how that rates in terms of carbon intensity compared with the production that is happening in the Gulf of America?

Mr. TARPLEY. I think, as we have discussed here before, in basins where U.S. companies are using modern technology the efficiencies are similar.

Mr. HURD. OK, great.

Thank you very much, Mr. Chairman, I yield.

Mr. STAUBER. Thank you very much. The Chair now recognizes Representative Magaziner for 5 minutes.

Mr. MAGAZINER. Thank you, Chairman, and thank you to our panelists.

You know, in Rhode Island, where I come from, we are producing offshore energy and building more every day. It is creating American jobs, it is lowering costs, and it is reducing our dependance on foreign energy. But it is not offshore oil drilling that we have in Rhode Island; it is offshore wind, a clean, safe form of energy that has tremendous potential to contribute to American energy dominance.

I was very glad to hear some of my colleagues, Representative Kiggans and Ranking Member Ansari, speak about the benefits of offshore wind in their testimony, or in their comments. And I will just say that, for us in Rhode Island, it is not just theory. It is not just something that could happen someday. It is happening in Rhode Island. We are living it, and we bring that experience.

In Rhode Island, in my district, the first commercial offshore wind farm was built off the coast of Block Island in 2016. It has been spinning for almost a decade now. The South Fork Wind project is also complete. It is powering 70,000 homes. Those homes are in New York, but the wind farm is located off of Rhode Island. And we are also currently building Revolution Wind, which will power nearly a quarter of a million homes in Rhode Island, which is close to half of the homes of the entire State, in addition to a couple hundred thousand more in neighboring Connecticut.

This wind energy is being sold to Rhode Islanders at a below-market price. And I want to make sure everyone hears this. The Revolution Wind contract is going to sell power to Rhode Island at a price of less than $0.10 per kilowatt hour. Our standard residential electricity market rate over the course of a year is $0.16 per kilowatt hour. So, Revolution 1, the big offshore wind project under construction now, is going to be selling electricity into the grid at about two-thirds the cost to consumers of the market rate. And offshore wind deployment could save New England ratepayers $630 million a year, on average, up to $1 billion in some years.

So not only do you have the environmental benefits, the cost benefits, you also, of course, have the local construction jobs. And by definition, these jobs are local jobs. Revolution 1 has created 1,200 direct construction jobs, nearly 100 vessel construction jobs, over 120 port jobs, and 50 vessel crewing jobs that are permanent jobs. Maintenance jobs that will be permanent, as well.

So, I invite my colleagues, and last year I brought about a half dozen of our colleagues up to Rhode Island to come see offshore wind in action. Again, for us in Rhode Island, you can actually see it, you can talk to the people who are doing the work, you can talk to the local communities that are adjacent to it. It is not theory, it is not conjecture, it is happening in Rhode Island. And I welcome everyone to come and learn from our experience.

Like all forms of energy, it is not perfect. And you have to have a thoughtful process for where to site it to make sure that you are managing impacts on marine life and on incumbent industries. That is why, by the way, it is so important that NOAA Fisheries and other regulators have the staffing that they need to do their jobs. And I am very concerned that the Administration's plans to slash staffing at NOAA will unnecessarily hold up projects that could help lead to American energy dominance.

And I am also, frankly, concerned that President Trump has been promoting baseless conspiracy theories about wind energy, offshore and onshore: wind turbines cause cancer, the lights go out when the wind stops, yada, yada, yada. We know this is not true. Like, come to Rhode Island where we are doing this already, and you will see.

And I will give credit, by the way, I don't want to paint with a broad brush, I think that a number of my Republican colleagues, as we have heard today, understand that there are benefits here to offshore wind, and I invite everybody else who wants to learn more, please come on up and visit. We will organize a trip.

I only have less than a minute left. But Mr. Chiasson, I have heard you already in this hearing talk a little bit about the work that you all have done in the offshore wind space, but could you just expand a little bit on what the potential job benefits, the economic benefits are that you have seen happen or that you see potential for if we continue to progress?

Mr. CHIASSON. Thank you for that question, and I have had the opportunity to visit Block Island, and it was good for me to see. I also went to Denmark and see what they do over there, as well, about offshore wind.

But ultimately, you know, we have already been a player. Our port has been working on retrofitting vessels, as I mentioned

earlier, and doing different things as part of the offshore wind market that has taken, that is happening in the northeast. So, you know, we are all about an energy addition for our country, but that includes offshore oil and gas, offshore wind, and the like. Anything that is going to be an offshore space, we are happy to be a part of it at Port Fourchon.

Mr. MAGAZINER. All right. I am out of time and I yield back, but thank you.

Mr. STAUBER. Thank you very much. The Chair now recognizes Representative Westerman, the Natural Resources full Chair.

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

It is hard to have a discussion about a particular segment of energy without bringing in the whole gamut of energy, so I appreciate the discussion we have had about onshore energy, about wind. But really, the focus of this hearing is on the offshore energy, especially in the Gulf.

And I know that, if we talk about onshore energy, there are concerns about if you start drilling too many wells onshore and you flood the global oil supply, would it cause problems where you have over-produced and there is not demand, so you don't have a steady flow of work if the cost of energy goes too low. Those are serious things we things we need to consider. But today we need to look at the offshore.

And Mr. Chiasson, I know you talked about the importance of BOEM's 5-year leasing program. Can you explain how this affects in the long term? We may not be seeing effects of leasing in the past 5 years right now, but what could it mean long-term if we don't get, if we only have three lease sales over the next 5 years?

Mr. CHIASSON. Well, look, it, we have to be able to estimate our revenues and expenditures for our port. When we have something that is, you know, not continuous, no certainty in process, it has the ability to basically give us the inability to be able to plan, and so that we can expand the drilling and production in the Gulf of Mexico if and when that is allowed.

So, it has an impact on our national security, it has an impact on, as I produced for the record earlier, you know, we have an issue with rigs in the Gulf of Mexico, right? We don't have enough rigs to do the expansion that we would want to, because decisions that have been made over the last several years have impacted their ability to stay in our country because they can get longer contracts overseas than we can give in the U.S. Gulf of Mexico, or Gulf of America, because of the uncertainty in the process.

Mr. WESTERMAN. Thank you.

And Mr. Wilson, I know you all do work onshore and offshore. We read about the problems you face onshore getting permits. But can you elaborate? Is it more difficult to work offshore or onshore in the pipeline business? Or maybe distinguish some of the challenges.

Mr. WILSON. Yes, it probably depends on what State you are in.

I mean, offshore, as the testimony has been today, from inception to completion you are talking about 10 years. So, you are talking about a huge amount of capital investment that has to go into place, and you have to have surety, you have to have certainty.

When the Federal Government decides it is not going to lease, or it is not going to provide permits that it needs to provide for that offshore production, you are essentially stopping the conveyor belt.

And wells in the Gulf of Mexico are very different than wells in the Permian Basin or the Marcellus. They have a very different production curve, and both are essential. And you wouldn't want to do away with either one of them. And when we talk about the amount of energy that comes from the Gulf, 15 percent of our oil production, 5 percent of our gas production, that is a huge number. You can't simply say it is only 20 percent.

And so, to the extent that we are not continuing to run that conveyor belt, we are going to see declines in that area and it will impact the American people.

Mr. WESTERMAN. And can you elaborate a little bit more on that uncertainty?

Like, if you have got a company, you have got capital that needs to be invested, what does it do to your outlook on where you invest if there is uncertainty in investment in one spot?

Mr. WILSON. We are going to invest our capital where we have certainty of outcome, and that is just the bottom line. And so, to the extent that the Federal Government decides that there is not going to be certainty in the Gulf, then companies like ours are going to stop investing there.

Mr. WESTERMAN. And can you clarify? Oil is one thing. But on gas, is it going to raise the price of gas in the United States if we export more gas?

Mr. WILSON. Absolutely not. We have increased our exports dramatically in the last seven, 8 years. We haven't seen an increase in price. We have more than enough gas supply. The only issue is permitting and infrastructure.

Mr. WESTERMAN. And, well, I don't think 10 seconds is long enough to talk about permitting, but we will be working on permitting in this Committee, as well.

Mr. WILSON. Thank you.

Mr. WESTERMAN. Thank you.

Mr. STAUBER. Thank you, Mr. Chair. I now recognize Representative Crank for 5 minutes.

Mr. CRANK. Thank you, Mr. Chairman.

Ms. Howell, you characterized offshore oil and gas development as being solely about the money, I think, is essentially what you said. Let's set aside the fact that this industry is essential for powering our homes, ensuring our national security and our national defense, and maintaining our transportation systems. Just a yes-or-no question: Are you aware that the United States is currently over $36 trillion in debt, with each American effectively owing more than $106,000?

Ms. HOWELL. I am.

Mr. CRANK. Did you know that the Congressional Budget Office projects that, under current spending trends, 50 percent of every dollar collected will soon be allocated solely to servicing the debt?

Ms. HOWELL. I am.

Mr. CRANK. I emphasize the importance of affordable energy. You know, in the Pacific Northwest, hydropower provides electricity at rates as low as $0.05 to $0.07 per kilowatt hour, while wind power

in the same region was projected to cost as much as $0.84 per kilowatt hour. And it might not be about the money for you, but for families struggling to pay their utility bills, businesses trying to stay competitive, and a Nation striving to maintain energy security, affordability is critical. And I would say, without reliable and cost effective energy, the economic stability and national defense capabilities that underpin modern American life are put at serious risk.

My colleague talked about wind power. I am for wind power. I am not for wind subsidies. I am not for any kind of subsidies to these industries. But I was interested to note that he didn't talk about birds getting hit by wind turbines. We sort of selectively choose the types of energy that we think are good or not good, rather than letting the market take place on those things.

I would just ask, Mr. Wilson, I would ask you, do you know, what other countries are doing offshore drilling in the world?

Mr. WILSON. Pretty much anybody who can: Russia, certainly Qatar, certainly in Africa. They are going to have to rely on offshore drilling to get the energy they need.

Mr. CRANK. What is the difference in environmental standards between those countries and the United States? Is the United States, would you say we are one of the cleaner ones?

Mr. WILSON. Well, I would say we are the cleanest.

Mr. CRANK. Yes. So what is the impact if they are doing it to the globe versus us doing some of it here and exporting that energy?

Mr. WILSON. If we are not producing oil and gas for export, they will produce it, and it will be a lot dirtier.

Mr. CRANK. Yes, OK. Mr. Chiasson, any thoughts on that?

Mr. CHIASSON. I think Mr. Wilson said it exactly correct. We need to be aggressively producing energy, whatever that energy is, in our country because we have a need in our country and there is a need around the world. And if we can provide cleaner energy, whatever that type of energy may be, for ourselves and for people around the world, we need to be doing that.

Mr. CRANK. OK. Mr. Tarpley?

Mr. TARPLEY. I agree, and I think a lot of the discussion earlier, we need to just make a point here. This talk of sacrifice zones and indicating that you can't produce oil and gas and have a good community——

Mr. CRANK. Yes.

Mr. TARPLEY [continuing]. That should be summarily rejected. It just simply isn't true. I live in the Gulf Coast, 370,000 people that work offshore live in the Gulf Coast. We have an excellent community. We vacation there. We swim in the ocean. It is beautiful. There is tourism. We can have both, and I think that is important to remember.

Mr. CRANK. Yes, it is a false choice, much like saying if you get in your car to drive somewhere you are going to die in a car crash. I mean, it doesn't mean you are going to die. There is that potential. But it is a false choice, a false narrative created by many.

You are shaking your head, Ms. Howell.

Ms. HOWELL. Oh, I would love to respond to that.

Mr. CRANK. You disagree?

Ms. HOWELL. Do you live next to a refinery?

Mr. STAUBER. You are——
Ms. HOWELL. Chemical——
Mr. CRANK. You are not to ask the other witnesses.
Mr. STAUBER. The Chair intervenes——
Ms. HOWELL. OK, I forgot, I forgot.
Mr. STAUBER. Ma'am, you can't ask the other panelists.
Ms. HOWELL. Thank you.
Mr. STAUBER. You are here to take the questions, and I am going to give Representative Crank 10 seconds back.
Mr. CRANK. OK. All right. Thank you, Mr. Chairman. I will yield back the balance of my time.
Mr. STAUBER. Mr. Crank, can I have your remaining time?
Mr. CRANK. You certainly can——
Mr. STAUBER. Thank you very much.
Mr. CRANK [continuing]. Mr. Chairman, I yield.
Mr. STAUBER. So, one of the things that we really have to look at too from the start to finish in the, you know, building the windmills and what have you is the minerals that go into them. We don't, we haven't talked about that. In a windmill between 4,000 and 6,000 pounds of copper go into them. And we have an administration and many colleagues on the other side of the aisle would rather not have that copper mined in the United States.
In northeastern Minnesota we have been mining iron ore that has made U.S. steel, 80 percent of the United States steel. This administration shut down the Duluth complex, which is the biggest copper nickel find in the world, with trillions and trillions and trillions of dollars of opportunities. And so, we look at that, you look at where those minerals comes from, and that is for another discussion because I think you will find that some of these countries are mining these with child forced labor.
And the Chair now recognizes Representative Gosar from Arizona.
Dr. GOSAR. Thank you, Mr. Chairman.
Now, there isn't oceanfront property in Arizona, but we are still waiting. At least not yet. But offshore energy dominance is crucial for my State, just as it is for those of the Gulf of America. Offshore leads to lower energy prices and therefore more economic security for working Americans.
When the industry is certain that it can deploy needed infrastructure without undue regulatory burden, then it can grow and thrive, helping to achieve energy dominance. Now, I didn't say lack of accountability. You didn't hear that part from me. But we do need to pursue other forms of certainty, too. Take Three Mile Island, it came out of the mothballs just now for 20 years of dependability and energy talking about these big platforms. That is why pursuits like President Trump's Sovereign Wealth Fund and my act, the LASSO Act, are very important because I trust the American people to do something about this.
And, Mr. Chiasson, I want to say thank you very much to your answer to Ms. Hageman's aspect in regards for the American people, because what this LASSO Act does is it puts Social Security in that fund so that they can actually help develop it. I trust the American people to make that, those decisions.

Now, you also brought, Mr. Tarpley and Mr. Chiasson, you talked about 10 years from discovery to getting something out of it. Boy, that is a touch in a bucket. I mean, we have got Resolution Copper talking 30 years, 30-plus years, and we are still going, OK?

So, President Biden's 625 million-acre OCS withdrawal was an attack on the American energy dominance. He committed a similar assault in my State, where he created a 1.6 million-acre national monument adjacent but not in the Grand Canyon, restricting uranium mining. And I would love to have a conversation about that one, too.

So, you are familiar with also the technology that we export, right, Mr. Chiasson, Mr. Tarpley?

Mr. CHIASSON. Yes.

Dr. GOSAR. How did that affect Lithuania, can you talk a little bit about the——

Mr. CHIASSON. That sir, I can't answer. I don't——

Dr. GOSAR. Well, what happened is Lithuania wanted to change away from Russia. And we didn't have a way to get them the liquefied natural gas. So what you folks did in the energy cycle is you put together these big containers, you liquefied it. They invested in a ship that they actually could decompress it into their gas lines and, voila, they were very independent. So very, very touching.

Next one I want to bring out is a blue water, or blue whale discovery in Vietnam. OK? So once again, big, huge national asset for them. And what are they doing? They are doing it cleanly because of American natural gas and exploration. I think that is very incredible, what you guys do. You are exporting it, as well as the techniques, but as well as the energy.

Now, I heard a lot of things and I was very upset to hear some of the comments that were used here this morning, just like Mr. Begich from Alaska. You know, these terminologies using, I want to make sure I have this right, energy sacrifices.

Ms. Howell, you can't believe in that, do you?

Ms. HOWELL. I don't know what you are referring to.

Dr. GOSAR. Well, we had a gentlewoman over here from California talk about energy sacrifices, sacrificial zones. Come on, now. That is not hardly a conversation worth mattering. That is name-calling, right?

Ms. HOWELL. Well, I think the name-calling might have started with Chairman Stauber's remark about radical environmental extremists.

Dr. GOSAR. Well, you know, I will tell you something about that. We are going to find out something about that.

Mr. STAUBER. I agree.

Dr. GOSAR. Yes. We are going to find out from IRS records about who is giving to who on these NGOs. I think that is, transparency is everything. I am happy about transparency. Let's let the people decide. Let's bring the transparency out. OK? But I think hardly that is a discussion about energy.

So, we are going to need more energy or less energy coming up here, Mr. Chiasson?

Mr. CHIASSON. We need more.

Dr. GOSAR. How about you, Mr. Tarpley?

Mr. TARPLEY. We need a lot more.

Dr. GOSAR. Mr. Wilson?

Mr. WILSON. We are going to need a lot more.

Dr. GOSAR. How about you, Ms. Howell?

Ms. HOWELL. I agree.

Dr. GOSAR. OK. I mean, I go on my 303, part of my district is a road, and every 2 weeks we have a new building going up. And guess what? It is all these data centers.

Oh, and by the way, I brought up Three Mile Island, right? Do you know why Three Mile Island came on board? For exactly that, for data centers. So, they are competing with the national folk who are trying to get these affordable prices across the board. Do you see that being in any competition, Mr. Chiasson?

Mr. CHIASSON. Competition? I think it is, AI is going, the data centers are going to be taking more power, more energy than we can produce right now.

Dr. GOSAR. The competition is going to actually lower the price, right?

Mr. CHIASSON. Absolutely.

Dr. GOSAR. Thank you.

How about you, Mr. Wilson?

Mr. WILSON. I would agree with that.

Dr. GOSAR. How about you, Ms.——

Ms. HOWELL. I think competition across all forms of energy is critical.

Dr. GOSAR. Thank you very much.

And you, Mr. Tarpley?

Mr. TARPLEY. I agree, competition is good.

Dr. GOSAR. Thank you.

I will yield back. Thank you.

Mr. STAUBER. Thank you very much. And last, Representative Tiffany from Wisconsin.

Mr. TIFFANY. Last and least. Thank you, Mr. Chairman.

We are deciding who is going to win the 21st century right now with these decisions that are being made across America. Is this going to be a Chinese century or is this going to be an American century? And energy production is at the heart of it.

So, Mr. Wilson, I want to take you up to Line 5 in my neck of the woods, northern Wisconsin, Upper Peninsula of Michigan. And there are organizations that are doing everything possible to stop that line from being upgraded. What is going to happen if they are successful, and what is going to happen if they get their way and they are able to shut down Line 5?

Mr. WILSON. Well, you are, it is going to be harder to get energy into this country, and it is going to impact the American consumers, prices. You will have some impact on price and you really won't have any environmental benefit. In fact, if they continue to bring the energy into the U.S. using other means, it is going to have a larger environmental footprint.

Mr. TIFFANY. What, if you were to name one single permitting change, what would it be?

Mr. WILSON. I would roll the Clean Water Act 401 permit into the FERC NEPA process.

Mr. TIFFANY. The 401 into——

Mr. WILSON. The FERC NEPA process.

Mr. TIFFANY. Why is that?

Mr. WILSON. FERC already does a water quality analysis.

Look, every State should have its say. They should be able to provide input into these permits. But they shouldn't be able to veto these permits any more than they should be able to veto an interstate highway. And so, you roll that into a process that is already occurring, is already robust, and already determines whether or not we are meeting the Clean Water Act.

Mr. TIFFANY. So, it is duplicative.

Mr. WILSON. Absolutely.

Mr. TIFFANY. Yes. Thank you very much. I am going to yield the balance of my time to the Chairman.

Mr. STAUBER. Thank you very much. This is a, this has been a great conversation.

I think that one of the things I think you heard on both sides of the aisle, all-of-the-above energy, all of the best will rise to the top. As I gave my example of heating our homes in the northern climates, it is not going to be possible at this moment for alternative, intermittent sources of energy to keep me and my family alive. And what we need, I think what we need to do is, again, all of the above. I support all of the above. All of the best will rise to the top.

For me to, if we go to the mining sector, I just talked to you about the copper nickel, cobalt, other platinum group metals that go into these windmills. I went to, Alan Lowenthal, the Chair of this Committee when I was a freshman, invited me out to California on a wind energy project he wanted me to see, and we went out there. I specifically asked the developers about the critical minerals that go into there. I said, "Can you guarantee that they would be mined in this country under the best environmental labor standards?"

And he said, "Absolutely not."

And so I am looking at my economy up in northern Minnesota. Why would you not agree to mine domestically when these materials are there? Why would you allow child-forced labor to provide you with those minerals? That is the frustration that I have. We can mine domestically, and do it right.

In the Inflation Reduction Act there was $7.4 billion put aside for electric charging stations. The Biden administration removed the Buy American provisions for the critical minerals in there. You know why? Because he didn't want mining in this country to mine those minerals that we have abundantly. Just like the oil and gas industry can lead not only this country but the world, and how they produce it clean, we can mine these critical minerals and lead the world into that.

So, I would ask, Ms. Howell, as you go back and promote your wind energy, that you actually look into those minerals that are mined in the wind generation itself and where they come from, where do you get that from. I would submit to you, let's push for American critical mineral dominance and not other foreign nations that we know use child slave labor.

So, with that, we are going to conclude this hearing. I want to thank all the witnesses for your valuable testimony and the Members for their questions.

The members of this Subcommittee may have some additional questions for the witnesses, and we will ask you to respond to these in writing. Under Committee Rule 3, members of the Committee must submit questions to the Subcommittee Clerk by 5 p.m. on Friday, February 14. 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 12:32 p.m., the Subcommittee was adjourned.]

[ADDITIONAL MATERIALS SUBMITTED FOR THE RECORD]

Submissions for the Record by Rep. Stauber

American Energy Alliance

February 24, 2025

Hon. Pete Stauber, Chairman
Hon. Yassamin Ansari, Ranking Member
House Natural Resources Committee
1324 Longworth House Office Building
Washington, DC 20515

Re: "Restoring Energy Dominance: The Path to Unleashing American Offshore Energy"

Dear Chairman Stauber, Ranking Member Ansari, and Members of the Committee:

Thank you for hosting last week's hearing to discuss the importance of developing our offshore oil and gas resources. The United States is the richest energy nation in the world, and we produce energy more efficiently, safely, and cleanly than any other country. To meet the growing global demand for energy, the choice is clear increase offshore production or jeopardize our economic growth and national security while raising energy prices by depending on our adversaries to meet this need.

When it comes to access and opportunity to utilize our vast natural resources, the previous administration pursued an unprecedented policy of restriction. Throughout President Biden's term, the American Energy Alliance (AEA) catalogued over 250 actions that were deliberately taken to make American energy harder to produce and more expensive to purchase.[1] These actions, including efforts to limit or ban offshore lease sales, increased costs for American families and businesses and decreased our economic competitiveness on a global scale.

Fortunately, President Trump is fulfilling his commitment to pursuing a policy of energy abundance. On his first day in office, he began the process of reversing the Biden administration's war on American energy through a series of executive orders and directives. His Day One Energy Agenda rescinded[2] President Biden's ban on offshore development across 625 million acres of U.S. coastal territory,[3] encouraged exploration and production on federal lands and waters, including on the Outer Continental Shelf (OCS),[4] and prioritized the development of Alaska's LNG potential.[5]

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[1] American Energy Alliance, *250 Ways Joe Biden, Kamala Harris, and the Democrats Have Made it Harder to Produce Oil & Gas*, September 10, 2024 https://www.americanenergyalliance.org/2024/09/250/

[2] The White House, *Initial Rescissions of Harmful Executive Orders and Actions*, January 20, 2025 https://www.whitehouse.gov/presidential-actions/2025/01/initial-rescissions-of-harmful-executive-orders-and-actions/

[3] The White House, *Memorandum on the Withdrawal of Certain Areas of the United States Outer Continental Shelf from Oil or Natural Gas Leasing*, January 6, 2025 https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2025/01/06/fact-sheet-president-biden-protects-atlantic-and-pacific-coasts-from-offshore-oil-and-gas-drilling/

[4] The White House, *Unleashing American Energy*, January 20, 2025 https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/

[5] The White House, *Unleashing Alaska's Extraordinary Resource Potential*, January 20, 2025 https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-alaskas-extraordinary-resource-potential/

As we look forward to building on these important steps, however, it's necessary to first lookback at the myriad ways the previous administration constricted offshore oil and gas development. As I mentioned, AEA tracked each of these unprecedented attacks on the industry. Our affiliated organization, the Institute for Energy Research (IER), considered the implications of these actions, and, together, AEA and IER have supported legislative and regulatory solutions that will help return us to an era of energy dominance, restoring American prosperity and reducing energy prices for all. We look forward to working with you to achieve these goals.

Offshore Drilling Ban

On January 5, 2025, President Biden used the 1953 Outer Continental Shelf Lands Act (OCSLA)[6] to justify permanently banning new oil and natural gas leasing across 625 million acres of U.S. coastal territory. This action runs counter the intent of OCSLA, which clearly states that the OCS "is a vital national resource reserve [. . .] which should be made available for expeditious and orderly development." While President Trump rescinded this action in a Presidential Memoranda, a similar effort during his first term was rejected by a federal district court in 2019.[7] The court ruled that only Congress has the authority to revoke the ban. To that end, AEA supports H.R. 513, introduced by Rep. Clay Higgins (R–LA) in January, which would achieve this objective legislatively.

Offshore Oil and Gas Leasing Plan (2024–2029)

On December 15, 2023, President Biden's Department of Interior released its five-year offshore leasing plan. This plan, issued two years behind schedule, included only three lease sales—the lowest number since the program began.[8] It also ruled out leasing off the Alaskan coast and in the Atlantic and Pacific Oceans. The three lease sales, scheduled to take place in 2025, 2027, and 2029, were announced only to satisfy the federal requirements, under the provisions of the Inflation Reduction Act (IRA), to lease at least 60 million acres for oil and gas exploration as a condition of issuing offshore wind power leases.

Former Senator Joe Manchin (I–WV) may have said it best: "It's now clear without a shadow of a doubt that without the IRA, this [Biden] administration would have ended federal oil and gas development completely. But instead of embracing the all-of-the-above energy bill that was signed into law, this [Biden] administration has once again decided to put their radical political agenda over American energy security, and the American people will pay the price." He continued, "Granting the bare minimum of oil and gas leases will result in a minimum of renewables leases as well because the IRA tied the two together. You can't have one without the other."[9]

To achieve President Trump's energy dominance agenda, AEA supports legislative and regulatory efforts to reverse this decision by issuing a new five-year offshore plan. The revised plan should consider the growing global demand for energy and prioritize our economic growth and national security by meeting the demand with U.S.-produced offshore oil and gas resources. Additionally, Congress should use the reconciliation process to repeal the market-distorting tax subsidies that prop up energy technologies that are unviable without taxpayer support.

Moratorium on U.S. LNG Exports

On December 17, 2024, the Biden administration's Department of Energy released a report on the impacts of LNG exports.[10] While the study did not conclude explicitly that LNG exports run counter to the public interest, it warned that increased natural gas exports could increase domestic energy prices, could benefit China by supplying their economy with low-cost fuel, and would increase environmental im-

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[6] Cornell Law School, Legal Information Institute, 43 U.S. Code 1341—Reservation of land and rights (1953) https://www.law.cornell.edu/uscode/text/43/1341

[7] Institute for Energy Research, *Biden to Ban Offshore Oil Drilling in Some Federal Waters*, January 6, 2025 https://www.instituteforenergyresearch.org/fossil-fuels/gas-and-oil/biden-to-ban-offshore-oil-drilling-in-some-federal-waters/

[8] Institute for Energy Research, *Biden's 5-Year Offshore Oil and Gas Lease Plan Has the Fewest Lease Auctions Ever*, December 20, 2023 https://www.instituteforenergyresearch.org/fossil-fuels/bidens-5-year-offshore-oil-and-gas-lease-plan-has-the-fewest-sales-auctions-ever/

[9] Washington Examiner, *Manchin slams Biden administration for granting 'bare minimum' offshore drilling lease sales*, September 29, 2023 https://www.washingtonexaminer.com/news/2453689/manchin-slams-biden-administration-for-granting-bare-minimum-offshore-drilling-lease-sales/

[10] U.S. Department of Energy, Office of Fossil Energy and Carbon Management, *Energy, Economic, and Environmental Assessment of U.S. LNG Exports*, December 2024 https://www.energy.gov/sites/default/files/2024-12/LNGUpdate_SummaryReport_Dec2024_12pm.pdf

pacts. These criticisms will undoubtedly by used by climate advocates to oppose LNG exports and to sue when permits are approved by the Trump administration.

By contrast, analysis from the American Petroleum Institute (API) concluded that LNG exports have not increased domestic energy prices.[11] When adjusted for inflation, residential natural gas prices from 2016–2023 have remained largely stable. Despite LNG exports growing from virtually zero in 2015 to roughly 200 billion cubic feet in 2019, residential natural gas prices decreased over that time. The advent of hydraulic fracturing and horizontal drilling, which led to the shale gas revolution, increased natural gas production by 43% since 2015, allowing our domestic resources to satisfy American demand and the growing global need for energy. This type of information, which reflects the reality of U.S. LNG exports, will be submitted during the comment period on the 2024 study, which has been extended to March 20, 2025.

National Marine Fisheries Service Biological Opinion

In a case brought by the Sierra Club and other environmental groups, a Biden-appointed U.S. District Court judge in Maryland ruled that a 2020 National Marine Fisheries Service (NMFS) biological opinion (BiOp) violated the Endangered Species Act. In the court's view, the BiOp "underestimated the risks of harm to protected species and took inadequate measures to mitigate those risks."[12] This ruling could result in an indefinite suspension of offshore operations in the Gulf of America (GOA) until further regulatory review is complete.[13] The NMFS has until May 21, 2025, to submit a revision.

The GOA is critical to U.S. energy production, accounting for 14% of the nation's oil output and 5% of its dry gas production.[14] If the Gulf were a separate nation, it would rank among the top 12 oil producers globally. Additionally, the region supports more than 412,000 jobs and generates more than $6 billion in federal revenue.[15] This court decision threatens to significantly slow down or halt all permits for routine oil and gas operations, which will have wide-ranging negative economic impacts and threaten our national security. AEA supports codifying the 2020 BiOp while the Trump administration completes a new review.

Offshore Wind

Despite massive government subsidies, high guaranteed prices, mandates, and historically favorable government policies, offshore wind has failed to takeoff. The industry faces significant challenges: it is one of the most expensive electric generating technologies,[16] it produces an intermittent source of energy, and many of the components required for the manufacture of wind turbines are imported from China.[17] This reliance stands to exacerbate geopolitical tensions over limited resources, leading to national security concerns.

However, rather than seeking to onshore critical mineral production and processing, the Biden administration revoked leases, delayed permits, and labeled fauna and flora endangered to cancel and slow the permitting of mines.[18] In one example, the Biden administration revoked the federal leases for the Twin Metals mine in Minnesota and withdrew more than 225,000 acres of the Superior National Forest from consideration for mining operations for 20 years. This mine contains copper, nickel, cobalt, and platinum-group elements that could be used to decrease our domestic reliance on imports.

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[11] American Petroleum Institute, *How DOE's LNG Exports Study Could Clash with Real World Data*, December 16, 2024 https://www.api.org/news-policy-and-issues/blog/2024/12/16/how-does-lng-exports-study-could-clash-with-real-world-data

[12] https://earthjustice.org/wp-content/uploads/2024/08/204_memorandum-opinion-8.19.24.pdf

[13] Institute for Energy Research, *Endangered Species Act Decision Endangers Gulf of Mexico Oil and Gas Production*, September 16, 2024 https://www.instituteforenergyresearch.org/fossil-fuels/gas-and-oil/endangered-species-act-decision-endangers-gulf-of-mexico-oil-and-gas-production/

[14] U.S. Energy Information Administration, *Gulf of Mexico Fact Sheet*, September 4, 2024 https://www.eia.gov/special/gulf_of_mexico/
#~text=Gulf%20of%20Mexico%20federal%20offshore,of%20total%20U.S.%20 dry%20production.

[15] American Petroleum Institute, September 6, 2024 https://www.api.org/-/media/files/misc/2024/09/api-doc-letter-09-06-2024-1

[16] U.S. Energy Information Administration, *Levelized Costs of New Generation Resources in the Annual Energy Outlook 2023, April 2023* https://www.eia.gov/outlooks/aeo/electricity_generation/pdf/AEO2023_LCOE_report.pdf

[17] Institute for Energy Research, *Expensive Offshore Wind Is In Trouble*, February 5, 2025 https://www.instituteforenergyresearch.org/renewable/wind/expensive-offshore-wind-is-in-trouble/

[18] Institute for Energy Research, *The Economic and Strategic Importance of Domestic Mineral Production*, April 2023 https://www.instituteforenergyresearch.org/wp-content/uploads/2023/04/The-Economic-and-Strategic-Importance-of-Domestic-Mineral-Production.pdf

Offshore wind has proven to be a failed experiment with negative implications for ratepayers and taxpayers. On his first day in office, President Trump issued a memorandum temporarily barring offshore wind leasing in federal waters and pausing federal approvals or loans.[19] To help ensure that U.S. investments are directed to secure and reliable sources of energy, AEA's highest priority in reconciliation is the full repeal of the tax subsidies that have distorted the energy market, allowing uncompetitive industries, like offshore wind, to stay afloat.

Additional Resources for Congress

To further assist with efforts to advance the energy dominance agenda, IER published The American Energy Blueprint.[20] This blueprint lays out a comprehensive set of policy recommendations to guide Congress and the administration as they develop their approach to energy policy. The report outlines key reforms in areas such as federal land and water use, expanding consumer choice, reducing subsidies, curbing government spending and taxation, streamlining regulations, and modernizing the permitting process. The report is attached for your review.

Thank you for your continued attention to these issues. We share your objective of unleashing American offshore energy dominance and look forward to working with you and with the administration to advance this goal.

Please let me know if I can provide additional information that may be helpful to you moving forward.

Sincerely,

THOMAS J. PYLE,
President

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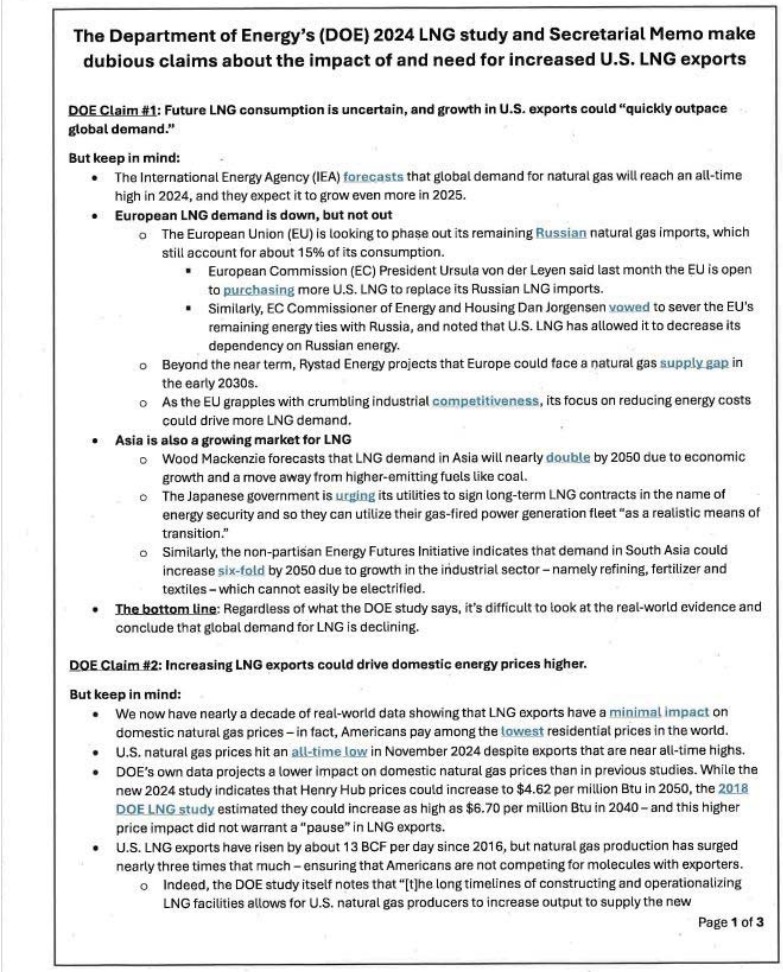
The full letter with attachment is available for viewing at:

https://docs.house.gov/meetings/II/II06/20250211/117868/HHRG-119-II06-20250211-SD015.pdf

[19] The White House, *Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects*, January 20, 2025 https://www.whitehouse.gov/presidential-actions/2025/01/temporary-withdrawal-of-all-areas-on-the-outer-continental-shelf-from-offshore-wind-leasing-and-review-of-the-federal-governments-leasing-and-permitting-practices-for-wind-projects/

[20] Institute for Energy Research, *IER Releases the American Energy Blueprint*, January 22, 2025 https://www.instituteforenergyresearch.org/regulation/ier-releases-the-american-energy-blueprint/



The Department of Energy's (DOE) 2024 LNG study and Secretarial Memo make dubious claims about the impact of and need for increased U.S. LNG exports

DOE Claim #1: Future LNG consumption is uncertain, and growth in U.S. exports could "quickly outpace global demand."

But keep in mind:

- The International Energy Agency (IEA) forecasts that global demand for natural gas will reach an all-time high in 2024, and they expect it to grow even more in 2025.
- **European LNG demand is down, but not out**
  - The European Union (EU) is looking to phase out its remaining Russian natural gas imports, which still account for about 15% of its consumption.
    - European Commission (EC) President Ursula von der Leyen said last month the EU is open to purchasing more U.S. LNG to replace its Russian LNG imports.
    - Similarly, EC Commissioner of Energy and Housing Dan Jorgensen vowed to sever the EU's remaining energy ties with Russia, and noted that U.S. LNG has allowed it to decrease its dependency on Russian energy.
  - Beyond the near term, Rystad Energy projects that Europe could face a natural gas supply gap in the early 2030s.
  - As the EU grapples with crumbling industrial competitiveness, its focus on reducing energy costs could drive more LNG demand.
- **Asia is also a growing market for LNG**
  - Wood Mackenzie forecasts that LNG demand in Asia will nearly double by 2050 due to economic growth and a move away from higher-emitting fuels like coal.
  - The Japanese government is urging its utilities to sign long-term LNG contracts in the name of energy security and so they can utilize their gas-fired power generation fleet "as a realistic means of transition."
  - Similarly, the non-partisan Energy Futures Initiative indicates that demand in South Asia could increase six-fold by 2050 due to growth in the industrial sector – namely refining, fertilizer and textiles – which cannot easily be electrified.
- **The bottom line**: Regardless of what the DOE study says, it's difficult to look at the real-world evidence and conclude that global demand for LNG is declining.

DOE Claim #2: Increasing LNG exports could drive domestic energy prices higher.

But keep in mind:

- We now have nearly a decade of real-world data showing that LNG exports have a minimal impact on domestic natural gas prices – in fact, Americans pay among the lowest residential prices in the world.
- U.S. natural gas prices hit an all-time low in November 2024 despite exports that are near all-time highs.
- DOE's own data projects a lower impact on domestic natural gas prices than in previous studies. While the new 2024 study indicates that Henry Hub prices could increase to $4.62 per million Btu in 2050, the 2018 DOE LNG study estimated they could increase as high as $6.70 per million Btu in 2040 – and this higher price impact did not warrant a "pause" in LNG exports.
- U.S. LNG exports have risen by about 13 BCF per day since 2016, but natural gas production has surged nearly three times that much – ensuring that Americans are not competing for molecules with exporters.
  - Indeed, the DOE study itself notes that "[t]he long timelines of constructing and operationalizing LNG facilities allows for U.S. natural gas producers to increase output to supply the new

Page **1** of **3**

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The full document is available for viewing at:

https://docs.house.gov/meetings/II/II06/20250211/117868/HHRG-119-II06-20250211-SD005.pdf

Submissions for the Record by Rep. Ansari

FossilFuelSubsidyTracker.org
(https://fossilfuelsubsidytracker.org)

Country Data

Country trends in fossil-fuel subsidies

Examine fossil-fuel subsidies by country in USD. Visualise trends by fuel type and filter by beneficiaries and support mechanism for more detailed insights. To know more about these categories, go to Methodology (https://fossilfuelsubsidytracker.org/methodology/). Global data in this visual might differ slightly from values displayed in the "Home" page. This is due to the methodology applied to disaggregate the data. For more information about this, visit the section "Data sources" in the Methodology (https://fossilfuelsubsidytracker.org/methodology/).

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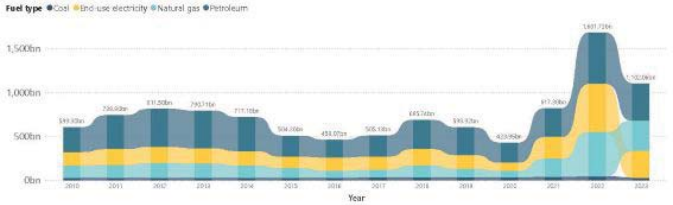
Country Data - Fossil Fuel Subsidies

Country: Enter country | Fuel type: All | Beneficiary: All | Support mechanism: All | Source: OECD, IEA, IMF



Fuel type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Coal	26.92bn	26.18bn	24.53bn	24.59bn	25.18bn	25.88bn	24.76bn	28.96bn	33.44bn	32.15bn	29.78bn	35.22bn
End-use electricity	157.95bn	187.35bn	191.30bn	179.86bn	167.60bn	135.15bn	155.75bn	154.52bn	192.87bn	164.11bn	97.91bn	253.71bn
Natural gas	136.52bn	142.00bn	165.83bn	159.87bn	138.93bn	107.69bn	79.22bn	86.10bn	130.27bn	90.93bn	72.24bn	205.14bn
Petroleum	277.92bn	383.27bn	429.83bn	426.38bn	385.47bn	235.59bn	198.33bn	235.55bn	329.16bn	311.73bn	224.02bn	323.23bn
Total	599.30bn	738.80bn	811.50bn	790.71bn	717.18bn	504.30bn	458.07bn	505.13bn	685.74bn	598.92bn	423.95bn	817.30bn

Microsoft Power BI

Sources:

OECD (https://www.oecd.org/fossil-fuels/), IEA (https://www.iea.org/topics/energy-subsidies), IMF (https://www.imf.org/en/Topics/climate-change/energy-subsidies)

DOWNLOAD COUNTRY DATA (HTTPS://FOSSILFUELSUBSIDYTRACKER.ORG/WP-CONTENT/UPLOADS/2024/12/FOSSILFUELSUBSIDIESTRACKER_COUNTRYDATA_2023_UPDATE_DEC24.XLSX)

Disclaimer: Any data and any map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. The Fossil Fuel Subsidy Tracker is now updated with the most recent subsidy data from the OECD and the IEA, covering 83 economies. Global data, covering 192 economies, is available until 2022.

FossilFuelSubsidyTracker.org (https://fossilfuelsubsidytracker.org)

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