ENERGY WORKFORCE & TECHNOLOGY COUNCIL

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Written Testimony Of
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U.S. House of Representatives
Committee on Natural Resources
Subcommittee on Energy and Mineral Resources

Restoring Energy Dominance: The Path to Unleashing American Offshore Energy

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

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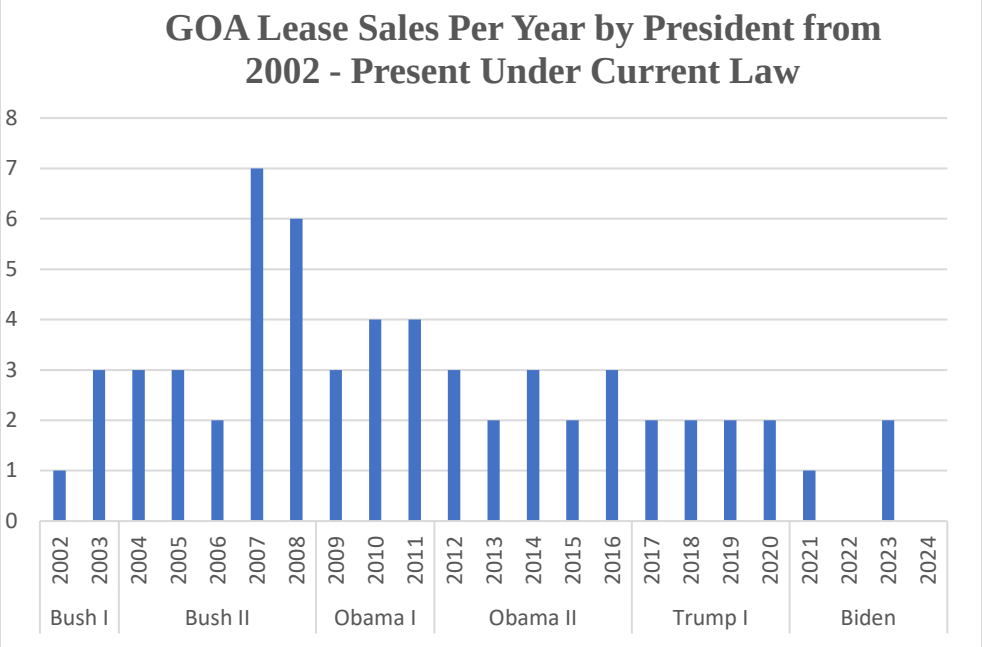
Administration instead put bureaucratic roadblocks in place to slow down industry and create doubt and uncertainty among our allies and industry.

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.



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

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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 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

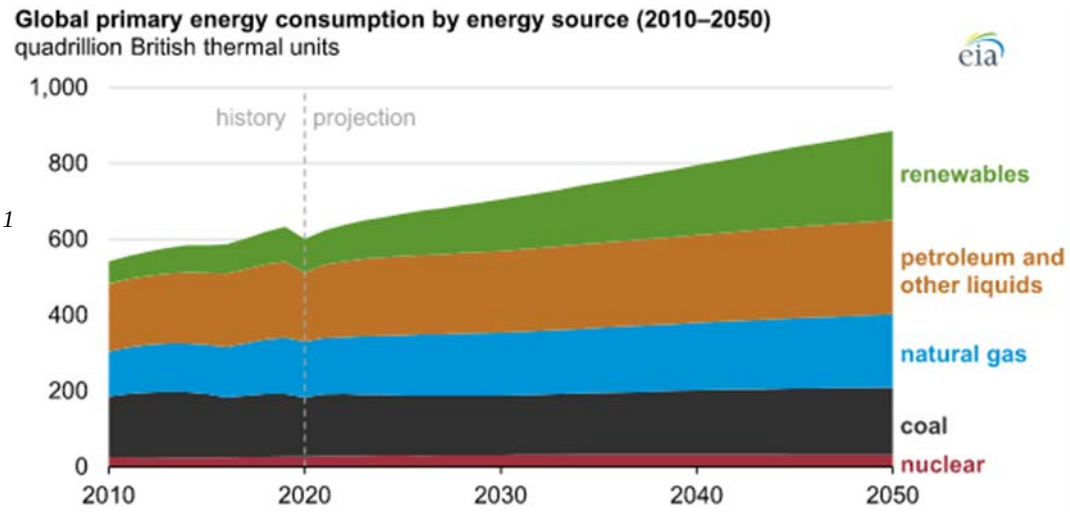

Figure 2 Global Primary Energy Consumption by Energy Source (U.S. Energy Information Administration, 2021)

[3] (U.S. Energy Information Administration, 2021)

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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.

		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)

[4] (Energy and Industrial Advisory Partners , 2025)

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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)

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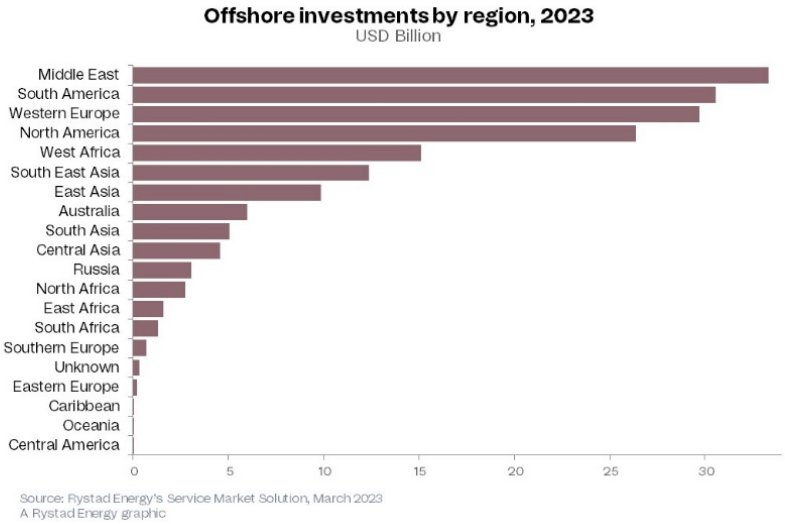

Figure 4 Offshore Investments by Region, 2023 (Rystad Energy, 2023)

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 CO2e kg/bbl from the current global average of 24.4 CO2e 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

[9] (Energy & Industrial Advisory Partners, 2022)
[10] (Energy & Industrial Advisory Partners, 2022)

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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.

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 CO2 and NOx 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.

[11] (Energy & Industrial Advisory Partners, 2022)
[12] (Whitfield, 2024)

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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

[13] (Office of the Law Revision Counsel of the United States House of Representatives, n.d.)

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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 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

[14] (Trieu, 2024)

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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.

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