Chair Cliff Bentz Subcommittee on Water, Wildlife, and Fisheries House Natural Resources Committee 409 Cannon House Office Building Washington D.C. 20515

Ranking Member Jared Huffman Subcommittee on Water, Wildlife, and Fisheries House Natural Resources Committee 2445 Rayburn House Office Building Washington D.C. 20515

March 19, 2024

Re: Concerns regarding the Marine Fisheries Habitat Protection Act, H.R. 6814

Dear Chair Bentz and Ranking Member Huffman:

We are writing to express our concerns with Representative Garret Graves's <u>H.R. 6814</u>, the "Marine Fisheries Habitat Protection Act" and the impact this bill would have on our marine ecosystems. If passed, this bill would undermine the Outer Continental Shelf Lands Act to make leaving offshore oil and gas infrastructure in place the default, making it easier for oil and gas companies to transfer liability and costs stemming from corporate negligence to the American taxpayer. This bill severely undermines the safety and protection of our marine ecosystems, maritime navigation, and coastal communities.

This bill's default treatment of applications states that if a determination on a reef-in-place application is not made within 90 days, the application will be approved. This default treatment clause poses significant risks to the marine environment, maritime industry, and local communities. While properly decommissioned offshore oil and gas infrastructure can provide artificial reef habitat in some circumstances, significant uncertainties exist regarding reef-in-place structures' impact on the marine environment. These structures can host or act as a vector of invasive species¹ and influence the redistribution, aggregation, or population numbers of fish species.² Scientists have explicitly noted that the success of reef-in-place structures in certain areas does not warrant adoption in others, stating, "Every ecosystem is different and needs to be evaluated as such; creating a reef, simply because there is a platform

¹ Van Elden, Sean, Jessica J. Meeuwig, Richard J. Hobbs, and Jan M. Hemmi. "Offshore oil and gas platforms as novel ecosystems: A global perspective." *Frontiers in Marine Science* 6 (2019): 548. <u>https://doi.org/10.3389/fmars.2019.00548</u>

² Ajemian MJ, Wetz JJ, Shipley-Lozano B, Shively JD, Stunz GW (2015) An Analysis of Artificial Reef Fish Community Structure along the Northwestern Gulf of Mexico Shelf: Potential Impacts of "Rigs-to-Reefs" Programs. PLoS ONE 10(5): e0126354. <u>doi:10.1371/journal.pone.0126354</u>

that needs to be decommissioned, is indeed little more than waste disposal"³. Unsuitable or hazardous structures should never be approved for a reef-in-place permit, regardless of the application timeline.

A recent Government Accountability Office (GAO) report⁴ highlighted the abysmal track record of the oil and gas industry in meeting their decommissioning obligations. The report found that:

- Over 75% of end-of-lease and idle infrastructure in the Gulf was overdue as of June 2023, representing over 2,700 wells and 500 platforms.
- Over 40 percent of wells and 50 percent of platforms on Gulf leases that ended between 2010 and 2022 have not been decommissioned.
- The Bureau of Ocean Energy Management (BOEM) held about \$3.5 billion in supplemental bonds to cover between \$40 billion and \$70 billion in total estimated decommissioning costs as of June 2023, leaving taxpayers exposed to billions of dollars in financial risks if operators fail to meet their obligations.

By not plugging offshore oil and gas wells, dismantling and disposing of platforms, and returning the seafloor to pre-lease conditions, the existing infrastructure – just miles from coastal communities where millions of Americans⁵ live and work – becomes increasingly vulnerable to damage and deterioration from storms and corrosion. This can topple platforms, cause oil spills, and make decommissioning more expensive and dangerous. This bill would further exacerbate this damaging cycle. Adding additional steps to removing offshore infrastructure would make it even less likely that companies would pay for the total cost of their operations, including decommissioning. When oil and gas companies sign a lease, they agree to take responsibility for rigs throughout their lifecycle. Industry should be held to these obligations. We need more Congressional oversight on offshore infrastructure, not additional loopholes for oil and gas companies to avoid their decommissioning responsibilities. This bill gives a break to an industry that is causing the climate crisis and harming people, and only extends their damaging impacts further out into the future.

Liability for oil and gas infrastructure should remain with companies and not be transferred to the public. As written, the default treatment clause of this bill allows for the complete transfer of liability to the taxpayer regardless of the feasibility of a site to serve as an artificial reef. If a reef-in-place application is accepted under this clause, taxpayer dollars will be used to maintain navigational markers, monitor the decaying infrastructure for environmental or health hazards, and pay for any damages resulting from the infrastructure, all while there may not be any net benefit to the marine ecosystem. This assumption of liability is particularly concerning as reef-in-place legislation in California requires the owner or operator of the oil platform or production facility to indemnify the state from any liability that may arise, including from active

 ⁴ OFFSHORE OIL AND GAS Interior Needs to Improve Decommissioning Enforcement and Mitigate Related Risks. January, 2024. <u>https://www.gao.gov/assets/d24106229.pdf</u>
⁵ <u>https://ecowatch.noaa.gov/thematic/coastal-population</u>

³ Van Elden, Sean, Jessica J. Meeuwig, Richard J. Hobbs, and Jan M. Hemmi. "Offshore oil and gas platforms as novel ecosystems: A global perspective." *Frontiers in Marine Science* 6 (2019): 548. <u>https://doi.org/10.3389/fmars.2019.00548</u>

negligence.⁶ H.R. 6814 has no such provision. Instead, it makes American taxpayers liable for corporate negligence and stands in sharp contrast to state-led efforts to conserve and protect our marine ecosystems.

Instead of addressing long-standing issues surrounding decommissioning offshore infrastructure, this bill provides a handout to oil and gas companies by allowing them to shirk their responsibilities by passing along costs and liability to American taxpayers, all under the guise of environmental stewardship. The recently published GAO report makes it clear that for too long, the oil and gas industry has been leaving its mess for the American taxpayers to clean up. We urge you not to move forward on this bill, refrain from reporting it out of committee, and vote no should the bill make it to the House floor.

Sincerely,

Alaska Wilderness League Center for Biological Diversity **Creation Justice Ministries** Earthjustice **Environmental Defense Center** GreenLatinos Healthy Gulf Healthy Ocean Coalition López-Wagner Strategies National Ocean Protection Coalition National Parks Conservation Association Natural Resources Defense Council Nuclear Information and Resource Service **Ocean Conservation Research** Ocean Defense Initiative Oceana **Plaquemines Rising Coastal Restoration** Surfrider Foundation TAO Taproot Earth The Ocean Project

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http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab_2501-2550/ab_2503_bill_20100621_amended_sen_v95. html