EXAMINING THE BIDEN ADMINISTRATION'S UNPRECEDENTED OBSTRUCTION OF THE BOEM OFFSHORE LEASING PROGRAM

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON ENERGY AND
MINERAL RESOURCES

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

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OVERSIGHT HEARING ON EXAMINING THE BIDEN ADMINISTRATION'S UNPRECEDENTED OBSTRUCTION OF THE BOEM OFFSHORE LEASING PROGRAM

Wednesday, October 18, 2023
U.S. House of Representatives
Subcommittee on Energy and Mineral Resources
Committee on Natural Resources
Washington, DC

The Subcommittee met, pursuant to notice, at 10:02 a.m., in Room 1324, Longworth House Office Building, Hon. Pete Stauber [Chairman of the Subcommittee] presiding.

Present: Representatives Stauber, Graves, Tiffany, Westerman, Ocasio-Cortez, and Kamlager-Dove.

Also present: Representative Carl.

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 Alabama, Mr. Carl, 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. Today, the Energy and Mineral Resources Subcommittee will examine the Biden administration's unprecedented obstruction of the BOEM offshore leasing program.

The last time Director Klein was here, we discussed the BOEM's budget and predicted that, while asking for a funding increase, they would manage to do less with it. Here we are, 6 months later, and that prediction has come true. Today's hearing will focus on the proposed final National Outer Continental Shelf Oil and Gas Leasing Program, which has arrived 457 days late, and contains the fewest offshore lease sales in the program's history, just three potential sales over the next 5 years.

Under the Biden administration's 5-year program, we will not have lease sales next year, and the earliest that a sale can occur is 2025, and there will not be a single sale in the great state of Alaska through 2029.

Further, BOEM has previously communicated to this Committee that the NEPA process for these sales could take up to 2 years. As of today, BOEM has purposely not begun the NEPA process for the 2025 lease sales, putting them in jeopardy.

We have seen the Biden administration's rationale for policy decisions like this play out with disastrous results. The magnitude of the global demand for oil and gas calls for something much more substantial than three lease sales. But instead of American energy dominance, this Administration would rather beg Iran, Russia, Saudi Arabia, and other OPEC countries for increased oil production. Just this week, the *Wall Street Journal* reported this Administration is pursuing a backroom deal with Venezuela to lift U.S. sanctions and pave the way for Venezuelan oil to hit the global markets. This Administration's energy policy is anywhere but America, any worker but American.

It is the same policy for mining. BOEM's 5-year plan does not demonstrate a commitment to energy independence, nor does it balance environmental interests. In 1987, President Reagan put out a draft plan with 42 proposed sales, 17 of which were included in the final plan. That was a show of commitment.

If BOEM truly wanted to show the United States is committed to more offshore production, they would assemble a forward-looking strategy to streamline the burdensome permitting process; they would establish a regulatory framework that balances safety, environmental stewardship, and predictability, affording companies a clearer look; they would publish a 5-year plan with expanded leasing opportunities across historically utilized planning areas that incorporates pragmatic avenues for bolstering existing production, as well as more aggressive agenda for amplifying offshore output.

Bottom line, an aggressive offshore leasing strategy would clearly demonstrate a true commitment to our nation's long-term energy security, and to the workers and their families who rely on a paycheck from the offshore industry.

Director Klein, for your awareness, there are more than 360,000 American workers who work in the offshore industry, and millions more who support the broader oil and gas industry. That kind of commitment would not go unnoticed. Companies trying to decide where to invest their leasing dollars would know that the United States is, in fact, committed to growing production on the Outer Continental Shelf.

And don't forget, oil from the Gulf of Mexico has lower GHG emissions intensity compared to almost all other global producers. Leasing is the fundamental building block upon which future oil and gas production is built.

So much of oil and gas forecasting, such as global supply, global demand, and price fluctuations is out of our control. But leasing is something we can control, and failing to properly carry out a robust leasing plan now will have damaging effects for decades to come. By failing to act we are putting our future squarely in the hands of adversarial nations around the world.

I want to thank our witnesses for joining us today, and I look forward to hearing their testimony.

I will now yield to my colleague from New York, Ranking Member Ocasio-Cortez, for her opening statements.

STATEMENT OF THE HON. ALEXANDRIA OCASIO-CORTEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Ms. OCASIO-CORTEZ. Thank you, Chair.

Good morning, everyone, and thank you to Director Klein and our witnesses for being here today.

Today, for the first time in 4 months, our colleagues across the aisle have gathered us here to discuss how the Biden administration needs to do more for offshore oil and gas. It appears that this may be part of a broader campaign today to distract from the current House Republican chaos and their failures to elect a speaker or have a coherent plan to fund the government. But regardless, let's get into this.

Today, we will hear that the Biden administration needs to sell more oil and gas leases to Big Oil off our coast to ensure "energy security" and our economic futures. But let's be clear. Big Oil does not need more handouts. Oil and gas companies already control 12 million acres of Federal water in the Gulf of Mexico alone. Over 75 percent of the leases industry holds remain unused. And to my own disappointment, the Administration plans to hold three more lease sales in the Gulf of Mexico over the next 3 years, locking us into decades of future development.

But still, this is never enough. If we want to have any chance of staving off the worst impacts of the climate crisis, it is essential that we begin to phase out fossil fuel extraction from Federal lands and waters.

Right now, the United States is the largest producer and the largest exporter of oil and gas in the world. And despite how my colleagues from across the aisle may make it seem, production in the Gulf of Mexico is at an all-time high. Oil companies are raking in billions of dollars in record profits and CEOs are giving themselves tens of millions of dollars in salaries and bonuses, all while decreasing fossil fuel worker pay and systematically laying off the workforce.

Despite this record production, record CEO pay, and record profit, Americans are still at the whim of the global market when it comes to energy prices here at home. Today's hearing focuses on how the Biden administration should somehow give away more public resources to Big Oil, all while the Gulf region experiences simultaneous crises caused both directly and indirectly by offshore drilling and fossil fuel development.

As we speak, Louisiana, one of the states typically with the highest rainfall in the country, is experiencing an unprecedented wildfire season. In August, over 550 fires in Louisiana burned more than 60,000 acres, forcing entire towns to flee the flames. Governor Edwards warned that this wildfire risk is "the new normal" for the state. Drought, subsidence, rising seas, and man-made changes to the river have led to historically low water levels in the Mississippi River, and allowed saltwater from the Gulf of Mexico to creep up into local water sources. Thousands of people are already suffering from water that is unsafe to drink. It is corroding infrastructure and leaching heavy metals into drinking water systems. Hundreds of thousands of people in New Orleans could be threatened.

Of course, there are also the ever-threatening hurricanes caused by climate change and the loss of wetlands from oil and gas infrastructure, the very natural barriers that are supposed to protect coastal communities from storms. There is abandoned oil and gas infrastructure, thousands of miles of pipelines littering the sea floor, which, if oil and gas companies paid to fully reclaim, could employ thousands of oil and gas workers as we look to transition and clean up the Gulf waters, but are more often left on the sea floor to pollute.

There are also the public health impacts: increased rates of asthma and diseases like cancer around fossil fuel infrastructure, which disproportionately harm communities of color and low-income Americans. Yet, time and time again, we continue to see the failure to consider any of these impacts of offshore drilling.

I implore my colleagues to recognize these impacts and, instead of asking for more drilling, have productive conversations about a managed decline of fossil fuels, a transition that puts workers, communities, and climate first so we don't make the same mistakes again as we shape a clean energy future.

Offshore wind has enormous potential in the Gulf and across all our coasts to support family-sustaining union jobs and make our Federal waters part of the climate solution rather than part of the problem.

I look forward to our hearing from our witnesses, and I yield back.

Mr. STAUBER. Thank you very much. Normally, I am pretty generous if you go over time on 5 minutes. But I think, with what we have going on, I have talked to the Ranking Member and staff as well, we are going to keep it to 5 minutes. You will hear the gavel, so really quickly wrap it up, and I appreciate that.

We will move now 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 "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. At the end of 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.

Before we announce our first witness, I will recognize the Chair of the Full Committee, Bruce Westerman, for 5 minutes for his statement.

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.

And I would like to add, when we talk about oil company profits, when you restrict supply and demand increases, prices go up and oil companies make a lot more money. Not only American oil companies, but OPEC. Saudi Arabia had the largest profit of any oil company in history last year. Iran is producing much more oil than they have ever produced. They are generating a lot of money because of high prices and low demand, and they are stepping in to fill that demand, and they are also funding terrorists who are attacking innocent people.

And just when we thought the Biden administration's posture toward American energy couldn't get any worse, the Bureau of Ocean Energy Management published the long-awaited National Outer Continental Shelf Oil and Gas Leasing Program, commonly known as the Five-Year Plan. After an unprecedented 457-day delay, this plan slashed proposed offshore energy sales from a potential of 11 to a pitiful 3, completely eliminating any sales in 2024, 2026, and 2028. This plan is nothing short of sabotage to our nation's energy security. It is not just negligence, it is a calculated move that strikes at the heart of American competitiveness and opportunity, and seeks to undermine our prosperity and cede global dominance to our adversaries, a move that is particularly concerning now amid growing instability in the Middle East.

Industry investments should be driven by the private sector and ingenuity of the American worker. Instead, our energy economy is dictated and micromanaged by DC bureaucrats focused only on shutting down domestic production.

The offshore industry has evolved and innovated, and now produces oil and gas with the lowest emissions. The Federal Government has, unfortunately, only obstructed this progress in recent years, causing bottlenecks in permit approvals, arbitrarily dictating where and when industry operations can occur, and raising fees to make production less economical.

The 5-year plan announcement will only serve to outsource our energy demand to OPEC-plus nations, increasing global emissions in the process. The decision makers in the Biden administration have proposed the fewest opportunities to extract the cleanest barrels of oil on Earth over the next 5 years. They have left Alaskans without an opportunity for future sales for the first time in the history of the leasing program, even as their neighbors in Russia and Canada are producing more than ever.

President Biden has obstructed the offshore leasing program at every turn. He first canceled every remaining sale in the previous 5-year plan, which he only held after being explicitly required by Congress. He then sought to undermine one of these sales by going around the regulatory process to cut a deal with the environmentalists that would stymie production resulting from that sale. Now, he has proposed the fewest sales in the history of the program. These actions undoubtedly undermine our position in the global energy landscape, which is critical as armed conflict is increasing around the globe.

Today, our Subcommittee will seek answers from the Biden administration on this dismal plan. Now is the moment to change course and steer our energy future in the right direction. Our producers deserve opportunities to make investments with regulatory certainty. American taxpayers deserve a fair return on the nation's natural resources. The environment and consumers around the world deserve to purchase the lowest carbon intensity barrels produced on the planet for centuries to come.

I look forward to the testimony and the discussion, and I yield back.

Mr. STAUBER. Thank you, Chair Westerman. I will now introduce our first witness, Mr. Tommy Faucheux. He is the President of Louisiana Mid-Continent Oil and Gas Association, located in Baton Rouge.

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

STATEMENT OF TOMMY FAUCHEUX, PRESIDENT, LOUISIANA MID-CONTINENT OIL AND GAS ASSOCIATION, BATON ROUGE, LOUISIANA

Mr. FAUCHEUX. Chairman Stauber, Ranking Member Ocasio-Cortez, Representative Graves, and other members of the Committee, thank you for inviting me to testify today. My name is Tommy Faucheux and I am the President of the Louisiana Mid-Continent Oil and Gas Association, also known as LMOGA.

Before I begin talking about the issues at hand today, I do want to first acknowledge the tragedy in Israel, the lives lost in this past week, and acknowledge the tragedy as many of these people are now put in a path of war. These recent events remind us that our liberties are fleeting. And before any advocacy on energy issues comes first the importance of decency and moral clarity in public discourse.

I am here today to speak on behalf of our industry members who include the upstream, midstream, and downstream operators in Louisiana and the Gulf of Mexico. While the oil and gas industry has a $70 billion impact on our state, my comments today are specific to the 2024–2029 National OCS Oil and Gas Leasing Proposed Final Program, or the 5-year program.

For generations, Louisianans have always been at the forefront of energy innovation, and we continue to be the pioneers in energy. Today, I am excited to say that we have established the regulatory framework, workforce, infrastructure, and industrial sector to lead the way in transforming the industry toward a lower carbon future.

Through carbon capture, utilization, and storage, thanks to Louisiana ingenuity and hard work and commitments from Congress and the Biden administration, we are on the precipice of a major generational shift in this exciting field. We consistently look for ways for meaningful engagement with disadvantaged communities impacted by environmental justice, and create opportunities in education, workforce development, and employment.

On this journey, robust, predictable oil and gas production in the Gulf of Mexico is an integral piece of the puzzle. For decades, the Gulf of Mexico has produced some of the most energy dense and lowest carbon mineral resources in the world. The Biden administration acknowledges this fact in its proposed 5-year program, that a lack in oil and gas lease sales in the GOM would yield a much higher environmental impact as the gap in domestic production will be filled by producers from other basins whose geology is not as favorable and whose production occurs under much less stringent environmental standards.

Offshore oil and natural gas development supports over 350,000 jobs throughout the United States, contributing billions to the economy and local, state, and Federal tax revenues. The offshore oil and gas industry contributes an estimated $4 to $5 billion annually to the Federal Treasury.

Specifically in Louisiana, 250,000 Louisianans, 1 out of every 9 people, work in this industry. Our state's ability to reduce the impact of catastrophic hurricanes through coastal restoration and flood protection depends on a predictable source of revenue from offshore production. Without regulatory certainty and a predictable, robust 5-year program, many of these benefits are at risk.

When President Biden paused oil and gas leasing on Federal lands and waters we saw consumer energy prices rise to historic levels, capital investments freeze, and a decline in much-needed revenue for coastal restoration. As the Administration proceeds to finalize regulations in the coming months, such as the very important proposed bonding and financial assurance rule, our regulators must ensure the GOM remains a viable and attractive investment option for operators of all sizes.

Despite statutory requirements to schedule lease sales, the proposed 5-year program is 16 months behind schedule, and will only ensure, at best, three offshore lease sales over the course of the program. This means, after Lease Sale 261, which the Department was court-ordered to hold, we will not see another opportunity to access new offshore acreage until 2025. Due to the length of time it takes to develop, propose for public comment, and finalize a notice of sale, the next lease sale likely may not occur until much later.

LMOGA and our industry partners believe Congress must act this year to instead provide greater certainty. We support legislative efforts that are before this Committee and others that have passed the U.S. House this Congress. H.R. 1, the Lower Energy Costs Act, sponsored by Leader Scalise; Congressman Graves' BRIDGE Production Act; and Senator Cassidy's Offshore Energy Security Act include language important to providing certainty to our energy and environmental goals. These bills send a clear directive to the Administration that America is committed to providing affordable, reliable energy to American families and businesses and our allies abroad.

Thank you for the opportunity to share our thoughts, and I look forward to further discussion today.

[The prepared statement of Mr. Faucheux follows:]

PREPARED STATEMENT OF TOMMY FAUCHEUX, PRESIDENT, LOUISIANA MID-CONTINENT OIL AND GAS ASSOCIATION (LMOGA)

Chairman Stauber, Ranking Member Ocasio-Cortez, Representative Graves and other members of the Committee, thank you for inviting me to testify today.

My name is Tommy Faucheux and I am the President of the Louisiana Mid-Continent Oil and Gas Association (LMOGA). Before I begin talking about the issue at hand today, I want to first acknowledge the tragedy in Israel, the lives lost last week and the thousands of civilians and soldiers in the path of war as we speak. These recent events remind us that our liberties are fleeting and before any advocacy on energy issues, comes first the importance of decency and moral clarity in public discourse. I feel strongly we must fight to protect these basic principles and denounce the terrorism that's occurring in Israel.

Founded in 1923, LMOGA is Louisiana's oldest trade association and I am here today to speak on behalf of our industry members, who include the upstream, midstream and downstream operators in Louisiana and the Gulf of Mexico. While the oil and gas industry has a $70 billion impact on our state, my comments today are specific to the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program, or the "5 Year Program."

For generations, Louisianans have always been at the forefront of energy innovation. From the first commercial scale oil well completed in 1901, the first over-the-water oil well in Caddo Lake, the first long-distance pipeline from Shreveport to a Baton Rouge refinery, the first fluid catalytic cracker unit critical to boost fuel production and octane during World War II, and the first drilling rig and producing well out of sight of land in the Gulf of Mexico—Louisianans have been and continue to be the pioneers in energy.

Today, I am excited to say that we have established the regulatory framework, workforce, infrastructure and industrial sector to lead the way in transforming this industry towards a lower carbon future. Through carbon capture utilization and storage, thanks to Louisiana ingenuity, hard work and resilience, and commitments from Congress and the Biden Administration, we are on the precipice of a major generational shift in this exciting field. We consistently look for ways for meaningful engagement with disadvantaged communities impacted by environmental justice and create opportunities in education, workforce development, and employment. However, on this journey towards lower emissions and more direct benefits to communities, robust, predictable oil and gas production in the Gulf of Mexico is an integral piece of this puzzle.

For decades, the Gulf of Mexico (GOM) has produced some of the most energy-dense and lowest carbon mineral resources in the world. The Biden Administration acknowledges this fact in its proposed 5-year Program—that a lack in oil and gas lease sales in the GOM would yield a much higher environmental impact as the gap in domestic production will be filled by producers from other basins whose geology is not as favorable and whose production occurs under much less stringent environmental standards. In fact, the Biden Administration states that the social cost of GHG emissions will increase drastically under the no sale option offered in the 5-year program.[1] While the energy industry is rapidly evolving into a lower carbon future, reliance on fossil fuels will continue for the foreseeable future. Continuing and accelerating production in the GOM will ensure this demand is met with a more sustainable source of energy.

Offshore oil and natural gas development supports over 350,000 jobs throughout the U.S., contributing billions to the economy and local, state, and federal tax revenues. The offshore oil and gas industry contributes an estimated $4–5 billion annually to the federal treasury. Specifically, in Louisiana, 250,000 Louisianans, one out of every nine people work in the industry in Louisiana. In addition, the industry accounted for nearly $4.5 billion of state and local tax revenue in 2019, which represents 14.6 percent of total state taxes, licenses and fees collected. Much of this revenue stream finds its way into local economies and helps provide critical operating resources for local governments.

Gulf of Mexico federal offshore oil production accounts for 15% of total U.S. crude oil production. Federal offshore natural gas production from the basin accounts for 5% of total U.S. dry production. Additionally, over 47% of total U.S. petroleum refining capacity is located along the Gulf Coast, as well as 51% of total U.S. natural gas processing plant capacity. According to the Energy Information Administration, in 2022, Louisiana shipped 63% of the nation's liquefied natural gas exports. In recent global conflicts in eastern Europe, we have seen firsthand the importance of a reliable supply of energy and how energy exports from the U.S. have proven to be a strategic tool to relieving national security concerns for our allies. We balance our robust energy industry with some of the most productive commercial and recreational fisheries in the country. It is also Louisiana's offshore oil and gas industry, our geologists, mariners, and technicians, that are making the Biden Administration's offshore wind goals a reality.

Without regulatory certainty and a predictable, robust 5-year program, many of these benefits are at risk. When President Biden paused all oil and gas leasing on federal lands and waters, we saw consumer energy prices rise to historic levels, capital investments freeze, and a decline in much-needed revenue for coastal restoration. Capital investment necessary to bring an offshore oil rig to production can be 40 times more expensive than a standard onshore oil rig. Offshore energy devel-

[1] Bureau of Ocean Energy Management, 2023, 2024–2029 National OCS Program, Table 5-10; https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/2024-2029_National OCSProgram_PFP_Sept_2023.pdf

opment requires decades of planning; and, once a lease is secured, several years of geological surveys, exploration, and contract negotiations before a project can both be safely and economically brought into production.

As the Administration proceeds to finalize regulations in the coming months, such as the very important proposed bonding and financial assurance rule, our regulators must ensure the GOM remains a viable and attractive investment option for operators of all sizes.

A 5-year offshore leasing plan that includes area-wide lease sales is now required by statute in two different places. OCSLA requires the Department to establish a schedule of leases under a 5-year national program; and, to be consistent with the statute, to facilitate the "expeditious and orderly development [of resources], subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs." The Inflation Reduction Act now also requires the Department to offer area-wide oil and gas lease sales in order to meet its renewable energy goals.

Despite statutory requirements to schedule lease sales, the proposed 5-year program is 16 months behind schedule and will only ensure, at best, 3 offshore lease sales over the course of the program. This means, after Lease Sale 261, which the Department was court-ordered to hold, we will not see another opportunity to access new offshore acreage until 2025. Due to the length of time it takes to develop, propose for public comment, and finalize a notice of sale, the next lease sale likely may not occur until much later. Many are concerned, absent a change in Administrations or additional Congressional action, this uncertainty will continue for several more years to come.

The Biden Administration, in fact, has yet to willingly hold a lease in the GOM. Under the Biden administration, lease sales 257 and 259 in the GOM were held only because they were mandated by the Inflation Reduction Act (IRA) and subsequent court action. Lease sale 261 was scheduled for September 27th, also mandated by the IRA; however, the Biden Administration engaged in a "sue and settle" scheme with outside organizations resulting in a further delay of lease sale 261, now scheduled for November 8th. The Administration through its proposed listing and critical habitat of the Rice's Whale, could also obstruct not just oil and gas but much of our commerce throughout the GOM.

Until the Biden Administration, the Department held at least 2 offshore lease sales in the Gulf of Mexico each year and at least one in the Alaska Outer-continental shelf (OCS). Other plans have proposed more oil and gas leasing on all U.S. coasts.

While the central and western GOM basins are a developed field, there remains significant potential to bring much more resources into production. In fact, it is the very existence of our vast energy infrastructure existing in the GOM that enables a new frontier of production on new leases. Subsea tiebacks, connecting new leased acreage to existing facilities, are increasingly viable and will be a major factor in the coming years of production in the GOM. In order to make this a reality we must have a robust and predictable availability of new acreage through consistent offshore lease sales.

Availability of acreage is also only part of ensuring a healthy level of production in the GOM sustainable for the long-term, however. We must also see regulatory certainty and timely review and approval of permits. According to reports, this Administration has permitted 30 percent fewer oil and gas wells offshore compared to the Trump Administration. To dispel any myths that this decline in well starts is an indicator of the lack of industry interest in offshore lease sales: leadership matters. If industry had certainty of available acreage in a 5-year program and timely approvals of drilling permits, we would see a significant increase in permit applications and revenue to the federal treasury from lease sales.

For Louisianans, the need for a robust, predictable offshore leasing program is personal as 37.5% of offshore oil and gas revenues from the OCS are statutorily dedicated to the Gulf of Mexico Energy Security Act (GOMESA). Restoring our wetlands and building hurricane protection levees are critical to protecting our communities from devastating storm surges due to tropical storms and hurricanes. GOMESA revenues account for about $350 million for coastal protection throughout all Gulf producing states each year.

To put this into perspective, 50 percent of Louisiana's population live and work in coastal areas, supporting the offshore energy industry of today and tomorrow. For these reasons, our Louisiana delegation, led by Majority Leader Scalise and Representative Graves, has introduced the BREEZE Act which increases the share of revenue that Gulf producing states would be entitled to use for coastal restoration. LMOGA fully supports this legislation and urges Congress to act.

LMOGA and our industry partners believe Congress must act this year to provide greater accountability overall and certainty for leasing. We support legislative efforts that are before this Committee and others that have passed the U.S. House this Congress. H.R. 1, the Lower Energy Costs Act by Leader Scalise, Congressman Graves's BRIDGE Production Act and Senator Cassidy's Offshore Energy Security Act include language important to providing certainty to our energy and environmental goals. These bills send a clear directive to the Administration that America is committed to providing affordable, reliable energy to American families and businesses and our allies abroad.

Thank you for this opportunity to share LMOGA's thoughts and I look forward to further discussion today.

Mr. STAUBER. Thank you for your testimony. Our next witness is Mr. Jerry Moses, and he is the Director of State and Federal Relations for Alaska Governor Mike Dunleavy, and he is stationed in both Juneau, Alaska, and right here in Washington, DC.

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

STATEMENT OF JERRY MOSES, DIRECTOR OF STATE AND FEDERAL RELATIONS FOR ALASKA GOVERNOR MIKE DUNLEAVY, JUNEAU, ALASKA

Mr. MOSES. Good morning, Chairman Stauber, Ranking Member Ocasio-Cortez, and other members of the Committee. Thank you for this opportunity today to testify on behalf of the state of Alaska and Governor Mike Dunleavy.

The governor appreciates the oversight of this Committee, especially on the impacts of this BOEM recent 5-year plan decision. As was noted earlier, there are zero proposed leases for Alaska, which we are quite worried about. So, we would like to maybe clear up some of these errors and omissions that were asserted for the reasoning for that decision.

The Biden administration policy in general has been disastrous for Alaska and its people. No other Federal administration in our state's brief history has so brazenly and recklessly worked to forestall nearly every type of natural resource development opportunity, which I will get into a little bit later.

We, in Alaska, like all Americans, are threatened by these types of actions that restrict our domestic energy production opportunities and make our entire country less energy secure. We maintain our demand that, consistent with the spirit and letter of the OCS Lands Act, that this Administration acknowledge that additional leasing is necessary in Alaska and other OCS regions in order to meet our national energy needs. In this time of increasing geopolitical turmoil, we should be doing everything within our power to grow our national economy and boost our domestic energy production.

Particularly in Alaska, our long-standing source of natural gas to power our businesses and heat Alaskan homes is the Cook Inlet area, which has seen the development of oil and natural gas for nearly 70 years. As people familiar with Alaska know, most of the residents live within that region, on the Rail Boat Region. Anchorage is part of the Cook Inlet Region, and connects the major metropolitan areas of Alaska.

As these gas fields have aged in the Cook Inlet, additional supplies have been increasingly challenging to develop, which leads to higher production costs and, consequently and unfortunately, higher consumer prices. To counter that we are looking at all available options to address this critical public need. The most obvious option, which is now off the table under this plan, is developing the resources that are right next door in the Cook Inlet OCS. There is no shortage of potential resources on these lands. BOEM's own estimates show billions of cubic feet of gas resources that could be produced in the Cook Inlet area.

And we know why this is off the table. BOEM's own internal memoranda indicate that avoiding speculative and hypothetical climate impacts is more important to the agency than ensuring a reliable energy supply for hundreds of thousands of Alaskans. We believe that decision is indefensible.

This Administration hides behind the rhetoric of limited demand for leases or limited interest to develop these resources. The full story is a little more complicated than that. It is our assertion that the asserted limited demand for that is due to over-regulation by the government and the fact that producers simply have no confidence that this Administration will actually approve permits to develop those resources.

BOEM's policy is entirely at odds with the OCS Lands Act, the public interest, and common sense. BOEM has zero lease sales scheduled again in the area of Alaska. We have a proven ability to develop those resources and a market that desperately needs those resources.

This testimony today prioritizes the Cook Inlet Region, but the entire region of Alaska is off the board under this proposal, particularly the North Slope of Alaska, where we have already developed and extracted 18 billion barrels of oil. This is consistent with other actions that have been taken by this Administration in Alaska, which are particularly egregious from our point of view, which is the cancellation of the ANWR leases recently, and also the proposed rule for the NPR-A, which would cut off 13 million acres from future development and future generations of Alaskans.

To wrap up briefly, thank you again for inviting me to testify today on this topic, which is so vitally important to our state. The state of Alaska believes the current 5-year plan is fundamentally deficient because it fails to even hold one lease sale in the Cook Inlet Region and support the critical energy needs of the residents of Alaska. We implore this Committee and Congress in general to restore sanity and promote rational energy policy at this critical time in our nation's history. Thank you.

[The prepared statement of Mr. Moses follows:]

PREPARED STATEMENT OF JERRY MOSES, DIRECTOR OF STATE AND FEDERAL RELATIONS, OFFICE OF GOVERNOR MIKE DUNLEAVY, STATE OF ALASKA

Thank you for the opportunity to testify today on behalf of the State of Alaska and Governor Mike Dunleavy.

The Governor very much appreciates this Committee's oversight of the impacts of the Bureau of Ocean Energy Management (BOEM)'s September 29, 2023 release of the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program (PFP) and Final Programmatic Environmental Impact Statement (EIS) on our state and its residents, and the opportunity to dispel the significant errors and omissions in the asserted justifications for this federal action.

Biden Administration policy has been an unmitigated disaster for Alaska and its people. No other federal administration in our state's brief history has so brazenly and recklessly worked to forestall nearly every type of natural resource development opportunity.

We in Alaska, like all Americans, are threatened by these types of actions that restrict our domestic energy production opportunities and make our entire country less energy secure. We maintain our demand that, consistent with the spirit and letter of the Outer Continental Shelf Lands Act (OCSLA), the Biden Administration acknowledge that additional leasing is necessary in Alaska and in other outer continental shelf (OCS) regions in order to meet our national energy needs. In this time of increasing geopolitical turmoil, we should be doing everything within our power to grow our national economy and boost development of our nation's energy resources.

There is demand and need for Cook Inlet Natural Gas justifying leasing in the Federal OCS in Alaska

Our long-standing source of natural gas to power our businesses and heat Alaskan homes is the Cook Inlet, which has seen the development of oil and natural gas for nearly 70 years. As these fields have aged, additional supplies have been increasingly challenging to develop, leading to higher production costs and, consequently, higher consumer prices. We are looking at all available options to address this critical public necessity.

One option that is off the table is developing the federal resources that are right next door in the Cook Inlet OCS. There is no shortage of potential resources on these lands—BOEM's own estimates show billions of cubic feet of gas resources could be produced from the Cook Inlet program area. And we know why it is off the table—BOEM's own internal memoranda indicate that avoiding speculative and hypothetical climate impacts is more important to the agency than ensuring a reliable and affordable energy supply for hundreds of thousands of Alaskans. We believe this is unconscionable.

This administration hides behind the rhetoric of limited demand for leases or limited interest to develop these resources. The full story is that through overregulation and collusion with litigious environmental non-governmental organizations, the federal government has successfully destroyed any reasonable expectation of obtaining permits or authorizations to explore for resources, build infrastructure to develop resources, or get those resources to market in Alaska's OCS. In other words, claims of limited interest are nothing more than BOEM's self-fulfilling prophecy.

BOEM's policy is entirely at odds with OCSLA, the public interest, and common sense. BOEM has zero lease sales scheduled in an area with known resources, the known technical capacity to safely develop those resources, and countless Americans who need those resources. This policy stands as yet another example of this administration's brand of eco-imperialism.

There are additional resources in the Alaska OCS that would benefit the State and the Country as a whole but are withdrawn contrary to long-term public interests

This testimony prioritizes Cook Inlet's natural gas supplies because of the urgency of finding solutions to our energy needs in Alaska. However, it is important to highlight for the Committee that the same restrictive and detrimental policies that are starting to be applied in the Gulf of Mexico have already been deployed in Alaska.

Today, essentially all of the most prospective OCS areas off our North Slope—where we have successfully and safely developed nearly 18 billion barrels of oil to date—are not only omitted from the five-year plan but are subject to presidential withdrawals that limit any leasing or activity in the area. This includes huge areas that were previously under lease, which saw billions of dollars in prior exploration efforts, and/or saw significant drilling activity—but are now off the table for further development. The State of Alaska has been unjustifiably targeted with these expansive OCSLA withdrawals, which will produce long-term economic harm to our state and the nation.

We believe this Committee should examine how this OCSLA withdrawal authority has been abused and make clear to this administration that this authority is not meant to block opportunity across entire regions.

We believe the effects of this policy are detrimental to Alaska and the nation

As a resource state, Alaska has a friendly rivalry with our peer states to compete on production. However, when the federal government limits opportunities in certain areas we all lose. We lose because the national economic benefits, consumer benefits, and quality of life that are supported by domestic energy production are lost for future generations.

Geopolitical instability is all around us and seemingly increasing every day. Nearly every energy jurisdiction around the world is embroiled in conflicts that threaten U.S. interests. Inexplicably, this administration is meeting that energy supply threat with the most restrictive five-year plan since the enactment of OCSLA. The economies, coastal communities, and Americans that work in the energy industry will feel the pain from these perverse federal policies—Alaskans deal with roadblock after roadblock to our resources every day. As a result, we suffer directly from higher fuel prices. All Americans need the resources in the Gulf of Mexico to be produced and utilized for the benefit of our nation.

These anti-Alaska, anti-energy policies have unfortunately become the norm

Finally, I would like to draw the Committee's attention to how consistently harmful this administration's anti-energy policies are. In Alaska, we have seen cancellation of existing leases and stalling of the statutorily required future lease sales in the Coastal Plain of the Arctic National Wildlife Refuge (ANWR). The federal approval of the Willow project took a bipartisan 60–0 vote from our state legislature and a broad coalition to demonstrate how unquestionably in the public interest it was. Now we are seeing a hyper-restrictive rulemaking in the National Petroleum Reserve of Alaska (NPR-A) intended to take those resources off the table forever, as well. The bar is almost insurmountably high for oil and gas development, no matter how beneficial it is to local and Indigenous communities, how small its environmental footprint, or how minimal its emissions profile may be.

Further, we seek resource development of critical minerals to see the potential for clean and renewable energy unlocked. However, the Ambler Road project to the Ambler mining district in Alaska is trapped in a loop of remands and revisions and new restrictions. Other mining projects on State lands cannot even go through the permitting process due to ad hoc federal pre-disapprovals. Environmental reviews for other mineral activities languish for years without an end date in sight. We unfortunately believe the Biden Administration is taking a none-of-the-above approach to energy strategy, of which the BOEM five-year plan is yet another example of.

Conclusion

Thank you for inviting me to testify today on this topic, which is so vitally important to our state. The State of Alaska believes the current PFP is fundamentally deficient because it fails to hold even one lease sale in Cook Inlet to support the critical energy needs of the residents of Alaska. Since this administration seems intent on offering up Alaska as a sacrifice on the altar of climate extremism to appease radical environmentalists, we implore this Committee and Congress to restore sanity and promote rational energy policy at this critical time in our nation's history.

Mr. STAUBER. Thank you very much. And Mr. Moses, Minnesota has the most mineral wealth of any state in our nation, with the exception of Alaska. I thank you.

I am now going to introduce Mr. Shane Seibel. He is the Executive Director for the Southern Ute Growth Fund, located in Colorado.

Mr. Seibel, you are up for 5 minutes.

STATEMENT OF SHANE SEIBEL, EXECUTIVE DIRECTOR, SOUTHERN UTE GROWTH FUND, IGNACIO, COLORADO

Mr. SEIBEL. [Speaking Native language.] Good morning, Chairman Stauber, Ranking Member Ocasio-Cortez, and Committee members. My name is Shane Seibel. I am an enrolled member of the Southern Ute Indian Tribe and Executive Director of the Southern Ute Indian Tribe Growth Fund. Thank you for inviting me to participate and be before you today.

For decades, our Tribe has come to Congress to discuss the prudent development of energy resources right here in this great hall, many leaders I have to acknowledge that have gone on and been here before us, just like your relatives have been here before us, as well. And I acknowledge them that have passed on to the next world. I am connected to them as I sit here today on the foundation that they have built for our great Tribe.

Our reservation is in Southwest Colorado. Our Tribe is the largest employer in the region. We have a AAA credit rating, and our members have jobs, health insurance, and the opportunity to obtain a college or vocational degree. Our elders have stable retirement benefits, and we are on the way to providing future generations the opportunity to maintain our Tribe, our culture, and our lands in perpetuity.

The Tribe's economic success has been tied to development of oil and gas resources. Almost 25 years ago, Tribal Council separated our business activity from our tribal governance and created the Southern Ute Indian Tribe Growth Fund. It has blossomed into a diverse portfolio of energy and non-energy investments across 16 states and the Gulf of Mexico. Over the last two decades, we have participated in many Gulf lease sales.

The Gulf is one of the few places in the United States where conventional reservoirs still occur, allowing businesses that lack large existing acreage positions to compete for new opportunities. That speaks volumes for us, being a small tribe.

The Tribe's interests in the offshore leasing program are similar to those of the United States. The revenues received by the Tribe through the Growth Fund are a major funding source for our reservation schools, health care facilities, law enforcement, and cultural preservation.

In the same way, over the past 20 years offshore energy resources have provided over $134 billion of revenue to the U.S. Treasury, funding daily government operations and providing security and services to Americans. From 2000 to 2020, the average number of OCS lease sales was 3.4 per year. In the past 3 years, only three lease sales have occurred, with two of them being mandated by the Inflation Reduction Act. The next lease sale is scheduled to occur on November 8 of this year.

For the next 5 years, BOEM has proposed to reduce the number of offshore lease sales from an initial 47 to 3. This would make calendar year 2024 the first year in more than 60 years that a Federal offshore lease sale will not be held. The latest program reflects the Secretary's determination to end global reliance on fossil fuel energy by 2050. However, the process and the effects of replacing fossil fuels, or like I like to say, hydrocarbons, with energy substitutes are unreliable.

The uncertainty has created surrounding offshore leasing needs to be eliminated. Unnecessary gaps in the program erode the future availability of energy resources. Today, over 80 percent of global energy consumed is fossil-based, providing heat, electricity, fuel, and products used to build homes and electric cars.

About 50 million people qualify as low-income and face a high energy burden. Expensive energy creates a strain on low-income families, forcing them to make tough financial choices. Last January, in our neck of the woods, pricing reached a record high $43 per MMBtu due to low storage levels, increased seasonal demand, and limited pipeline infrastructure. Some of our bills increased $1,000 per month. To keep energy both affordable and available, adequate supplies of oil and gas are needed, while an aggressive transition to carbon neutrality occurs.

I hope this testimony provides helpful information regarding the importance of OCS leasing to the Tribe and the United States. We believe in the objective to achieve carbon neutral energy production, and believe continued leasing and development of offshore resources are necessary elements of the energy transition, the maintenance of national security, and assuring economic stability in the United States.

Thank you for the opportunity.

[The prepared statement of Mr. Seibel follows:]

PREPARED STATEMENT OF SHANE SEIBEL, EXECUTIVE DIRECTOR, SOUTHERN UTE INDIAN TRIBE GROWTH FUND

INTRODUCTION

Good morning Chairman Stauber, Ranking Member Ocasio-Cortez, and other Committee members. I am Shane Seibel, Executive Director of the Southern Ute Indian Tribe Growth Fund, the business arm of the Southern Ute Indian Tribe. It is an honor to appear before members of both sides of the aisle to discuss a subject of major importance. For decades, our tribal leaders have come before Congressional committees to discuss the prudent development of energy resources in Indian country and across the United States. Prudent development of energy resources allows economies to grow, including our own tribal economy, and helps meet the energy needs of the American people. I hope our comments benefit this Committee.

In this testimony, I describe our Reservation and how energy development, including our activity offshore in the Gulf of Mexico, has affected the Southern Ute people. I can speak to these matters not just as the Executive Director of the Tribe's Growth Fund. I can also attest to the dramatic impact that energy development has had on me as an enrolled member of the Southern Ute Indian Tribe. Our energy strategy is to provide safe, affordable, and reliable energy with a path to carbon neutrality. Energy developed from the Gulf of Mexico can play a crucial role in implementing that strategy.

The recent actions of the Biden Administration demonstrate a policy that minimizes future leasing and production of the Nation's oil and gas resources from offshore. We understand the need to reduce carbon emissions in addressing climate change, and we also share the objective of achieving carbon neutrality in energy production. However, the global demand for energy is increasing, and we believe that the leasing of Federal offshore resources and their prudent development are necessary elements of energy transition, the maintenance of national security, and assuring economic stability. Additionally, we believe that reforms are necessary in the conduct of environmental reviews under the National Environmental Policy Act ("NEPA") so that meaningful evaluation of alternatives can proceed in a timely fashion and greater certainty can be provided to agency decisions authorizing Federal mineral leasing and development both onshore and offshore.

I. THE TRIBE, OUR RESERVATION, AND THE GROWTH FUND

Our Tribe has just under 1,500 members. Our Reservation consists of approximately 700,000 acres of land located in southwestern Colorado, near the Four Corners area. Some 311,000 surface acres of the Reservation are held in trust by the Federal Government for the benefit of the Tribe; however, the Tribe is also the beneficial owner of additional severed mineral estates held in trust for the benefit of the Tribe within the Reservation. Although the bulk of the Reservation involves tribal trust lands, interspersed throughout the Reservation are Federal, state, and private lands, as well as some allotted Indian lands.

Through financial discipline and farsighted leadership, the Tribe has developed a record of sound managerial experience and business practice. For instance, the Tribe was the first Indian tribe in the nation with a AAA+ credit rating, which was earned through years of steady governance and successful business management. The path to successful economic development has had significant challenges. Fifty years ago, our Tribal Council had to suspend the practice of distributing per capita payments to tribal members because the Tribe could not afford them. Today the Tribe is the largest employer in southwest Colorado with more than 1,000 employees. The Tribe provides health insurance for its tribal members and operates its own health clinic. The Tribe funds educational opportunities so that all members may obtain a college or vocational degree and runs its own school for elementary and middle school children. The campus of our tribal headquarters is dotted with state-of-the art buildings, including a justice center, museum, and recreational health facility. This success was not an accident; it is the product of sustained effort and discipline.

Without question, the Tribe's economic success has been tied to development of the Tribe's oil and gas resources. Successful development of those resources, principally coalbed methane gas, has resulted in a higher standard of living for our tribal members. Our members have jobs. Our educational programs provide meaningful opportunities at all levels. Our elders have stable retirement benefits. We have exceeded many of our financial goals, and we are well on the way to providing our grandchildren and their grandchildren the opportunity to maintain our Tribe, our culture, and our lands in perpetuity.

Almost 25 years ago, tribal leaders had the foresight to recognize that for our Tribe to succeed in business, we must operate our businesses differently than our government. As a result of that vision, the Tribal Council developed a Financial Plan which we still operate under today that created the Southern Ute Indian Tribe Growth Fund, a separate and distinct division of the Tribe. Our Permanent Fund, which is our government, is focused on providing services to our members and managing our lands and the environment. The Growth Fund is focused on providing economic prosperity for our Tribe as well as employment opportunities for our Tribal Members. The Growth Fund started by successfully developing the Tribe's energy resources and today, it has blossomed into a diversified portfolio of energy and non-energy investments across 16 states and the Gulf of Mexico. Simultaneously, the Tribe has overseen governance and protection of the environmental and cultural resources, either through the exercise of its inherent powers over land-use or through express delegations of Federal authority over air and water quality regulation.

One of our portfolio companies, Red Willow Production Company, a wholly owned component of the Tribe, has participated in oil and gas activities on our Reservation for nearly 30 years. To diversify the Tribe's energy portfolio, Red Willow Offshore, LLC, was created in 2003, and since that time Red Willow Offshore has participated as a successful bidder in multiple Gulf of Mexico offshore lease sales and has actively participated as a non-operating working interest owner in both shelf and deepwater Gulf of Mexico. The Gulf of Mexico is one of the few places in the United States where exploration of traditional reservoirs still occurs allowing businesses that do not have large existing acreage positions to compete for new opportunities to grow or sustain their business models.

II. BOEM OFFSHORE LEASING PROGRAM BENEFITS

The Tribe's interests in the BOEM National Outer Continental Shelf ("OCS") leasing program are similar to those of the United States. Just as the United States Government enjoys the financial benefits of offshore leasing and successful development, so does the Tribe's government. The revenues received by the Tribe through the Growth Fund—including Red Willow's offshore investments—are a major funding source for our Reservation's schools, healthcare facilities, law enforcement, social programs, and cultural preservation.

In the United States, offshore energy resources have generated over 134 billion dollars of revenue from lease sales, royalties on production, and rental fees over the past 20 years.[1] The largest portion of these funds goes to the U.S. Treasury to fund daily operations of the government in helping to provide security and services to the American people. Other portions of those funds support revenue sharing with states and coastal political subdivisions and are used for coastal conservation, restoration, and hurricane protection.

Fully acknowledging the financial opportunities made available to the Tribe through OCS leasing, we also recognize that prudent development of the Nation's energy resources is important to national security. Whether those domestic energy resources are natural gas produced from tribal lands in the Southwest or oil from the Deep Gulf, the availability of those energy resources allows our country to survive and prosper without substantial threats from outside forces. For example, a strong energy industry has allowed the United States to escape the natural gas supply-stranglehold that Russian President Vladimir Putin attempted to place on Europe because of its support of Ukrainian sovereignty. We are living in uncertain

[1] U.S. Dept. of the Interior, Office of Natural Resources Revenue website, "Fiscal Year Revenue, 2004-2022.csv," https://revenuedata.doi.gov/downloads/revenue

times and a strong U.S. energy industry fosters national security in the U.S. and with our allies.

III. FEDERAL OCS LEASE SALES

Under Section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. § 1344), Congress has directed the Secretary of the Interior ("Secretary") to schedule "as precisely as possible" lease sales for consecutive 5-year periods in a National OCS Oil and Gas Leasing Program ("National OCS Program") after evaluating specified attributes of OCS areas. The Secretary is authorized to select the "timing and location" of proposed OCS lease sales that best meet national energy needs and that balance, to the maximum extent practicable, the potential for environmental damage, discovery of oil and gas, and adverse impact on the coastal zone (43 U.S.C. § 1344(a)(2)). From 2000–2020, the average number of annual lease sales was 3.4 per year.[2] However, only 3 total lease sales under the National OCS Program have occurred in the past three years, and two of the three were expressly required by Congress in the Inflation Reduction Act.[3] An additional lease sale required by the Inflation Reduction Act (Lease Sale 261) is scheduled to occur on November 8th of this year following entry of a preliminary injunction by the U.S. District Court for the Western District of Louisiana invalidating last-minute restrictions imposed by BOEM and a denial by the U.S. Court of Appeals for the Fifth Circuit of a request for an emergency stay.[4]

BOEM now proposes to further reduce the number and size of OCS lease sales. In January 2018, BOEM published the Draft Proposed Program ("DPP") for the 2023–2028 period, which included a proposed schedule of forty-seven lease sales in all four OCS regions and twenty-five of the twenty-six planning areas. The subsequent Proposed Program, published in July 2022, eliminated twenty-four of the twenty-six planning areas and proposed a schedule of up to eleven lease sales in two program areas. The Final Proposal published in September 2023 includes three potential OCS oil and gas lease sales in the Gulf of Mexico ("GOM") Program Area, one potential sale in 2025, one potential sale in 2027, and one potential sale in 2029. *See* U.S. Dept. of the Interior, Bureau of Ocean Energy Management, *2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program* (Sept. 2023) ("BOEM's 2024–2029 Proposed Final Program").

The uncertainty that has been created with offshore leasing in the past few years needs to be eliminated, and the Nation must recognize the important role that offshore oil and gas development plays in meeting energy demand. Information obtained from the U.S. Energy Information Administration and the Bureau of Safety and Environmental Enforcement confirms that production from existing OCS leases currently constitutes 15% of domestic oil production and 2% of natural gas production.[5] Unnecessary gaps in the offshore leasing program erode confidence in the future availability of energy resources from the Gulf of Mexico. Further, preparation for sales by industry participants is a complex and expensive process. In statutorily requiring optimal precision in the formulation of five-year lease sales programs (43 U.S.C. § 1344(a)), Congress understood that evaluations of potential exploration prospects involve application of constantly improving technologies and expert assessments of regional geoscience, infrastructure, and economic feasibility. Recognizing the inherent risk of participating in auctions, industry needs at least some level of predictability that lease sales will be held so it can determine whether to deploy the capital and resources needed to participate effectively in scheduled lease sales. Predictability of lease sales is not just a need for industry; it also serves as an important tool in maintaining reasonable forecasting of energy supplies during the next few decades as aggressive transitioning to renewable energy sources proceeds in the United States and around the world.

Today, over 80% of the energy consumed around the world is fossil based.[6] To keep energy both affordable and available, adequate supplies of oil and gas are critically needed while an aggressive transition to carbon neutrality occurs. According to the U.S. Department of Energy, 44% of Americans, or about fifty million people, qualify as low-income and have a disproportionately high energy burden; this means the percentage of gross household income they spend on energy is three times

[2] U.S. Dept of the Interior, Bureau of Ocean Energy Management website, https://www.boem.gov/oil-gas-energy/lease-sales

[3] Act of August 16, 2022, The Inflation Reduction Act (§ 50264), Pub. L. No. 117-169, 136 Stat. 1818 (2022) (Lease Sales 258 and 259).

[4] *See* Unpublished Order (Sept. 25, 2023), *State of Louisiana v. Haaland*, Case No. 23-30666 (5th Cir. 2023).

[5] BOEM's 2024–2029 Proposed Final Program at 6-7.

[6] Energy Institute website, https://www.energyinst.org/

higher than it is for non-low-income Americans.[7] The more expensive energy becomes, the larger the burden on low-income families, forcing families to make tough choices. We experienced this phenomenon this past January in southwest Colorado when San Juan Basin Indian Index Pricing hit an all-time high at $43.20 per MMBTU.[8] This increased pricing was a direct result of record low storage levels of natural gas along the U.S. west coast, increased seasonal demand along the Pacific coast as a result of a cold and wet winter, and limited pipeline infrastructure to deliver natural gas to the west coast markets. That price spike resulted in some local consumers' gas utility bills increasing by over 1000%. Some individuals saw their bills increase by more than $1,000 for one month when compared to prior January bills. This increase is more than 16% of the monthly average median income for a household in LaPlata County.[9] We must figure out a way to provide affordable and reliable energy throughout the energy transition and prevent disadvantaged communities from being disproportionately impacted.

IV. TRANSITION DUE TO CLIMATE CHANGE

Like the United States, the Tribe and its members share concerns about the effects of fossil fuel consumption and climate change, and the Tribe has been at the forefront of environmental stewardship and energy transition in the Southwest. Its projects include: the capture of fugitive methane naturally escaping from miles of coal outcrops on the Reservation, one of the first utility scale solar projects in the Four Corners, ongoing construction of a carbon capture facility at our gas treating site, and ongoing development of one of the first few zero-emissions NET Power natural gas-fired power plants in the country.

Reaching "net-zero domestic GHG emissions by 2050 [is] the objective agreed to by President Biden and the parties to the Paris Agreement."[10] BOEM's 2024–2029 Proposed Final Program reflects the Secretary's determination that the end of global reliance on fossil fuel energy is achievable by 2050; however, the process and effects of the replacement of fossil fuel with energy substitutes is uncertain. Because of the omnipresent nature of petroleum products in the vast domestic marketplace, the transition away from hydrocarbons to renewable energy sources will unquestionably take many years. Aside from providing heat, electricity, and transportation-fuel, petroleum products are most likely elements of the chair you might be sitting in, the carpet, the furniture, the walls, and other materials used to build your house, office, or car (including electrically powered vehicles). BOEM's own forecasts demonstrate "that for the next ten years, the [GOM] can and will continue to support America's energy demands and economic development as needed—even as the United States continues to make strides toward sustainable energy sources." *U.S. Outer Continental Shelf Gulf of Mexico Region Oil and Gas Production Forecast 2022–2031* at 5 (BOEM, July 2022).

BOEM fully acknowledges that "[t]echnological advancements and a strong regulatory framework have contributed to reducing the carbon profile of the OCS." BOEM's 2024–2029 Proposed Final Program at 1-10. Based on current research data, BOEM also confirms that deepwater GOM production appears to have one of the lowest carbon intensities of all global crude oil projects. *Id*. at 1-11. Based on the low carbon intensity of production from the deepwater GOM, not holding lease sales in the GOM could have the counterproductive effect of raising global greenhouse gas emissions, and GOM deepwater production should continue to be part of the long-term U.S. strategy to lower carbon emissions as long as it remains one of the lowest carbon intensity barrels of oil produced around the world.

V. NEPA IN TRIBAL MINERAL DEVELOPMENT AND OFFSHORE LEASING

Despite the Tribe's decades-long success in conducting highly complex business transactions, both on and off the Reservation, and its record of successfully implementing environmental laws and standards, federal statutes still require Federal review and approval of most transactions occurring on Reservation lands held in trust for the Tribe by the United States. Federal approval constitutes federal action,

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[7] U.S. Dept. of Energy, Office of Energy Efficiency and Renewables website: https://www.energy.gov/eere/energy-accessibility-and-affordability

[8] U.S. Dept. of the Interior, Office of Natural Resources Revenue website: https://onrr.gov/indian/indian-pricing?tabs=indian-gas-index-zone

[9] U.S. Census Bureau, U.S. Census Bureau Quick Facts website: https://www.census.gov/quickfacts/laplatacountycolorado

[10] U.S. Dept. of the Interior, Bureau of Ocean Energy Management, *2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program Final Programmatic Environmental Impact Statement* at 221 (Sept. 2023).

which triggers environmental review under the NEPA, 42 U.S.C. 4332(2)(C). Whether the Tribe's proposed action involves the granting of a right-of-way for a waterline or fiber-optic cable or entering into an oil and gas lease to protect against resource drainage from neighboring non-Indian wells, Bureau of Indian Affairs ("BIA") approval is required. Whether because of funding or staffing needs, BIA faces major challenges in carrying out NEPA reviews, which causes delays and potential lost opportunities. Accordingly, the Tribe has been supportive of NEPA reforms that facilitate more expeditious reviews and decision-making.

Because of NEPA's dramatic presence in the administration of the Tribe's lands, the Tribe participated actively in the rulemaking undertaken by the Council on Environmental Quality ("CEQ") that led to the revised 2020 Rule as well as CEQ's more recent Phase 1 Revision process. *See* Letter from Chairman Christine Sage to CEQ dated Aug. 20, 2018, CEQ-2018-0001-12261; Letter from Chairman Christine Sage to CEQ dated Feb. 25, 2020, CEQ-2019-0003-82306; Letter from Chairman Melvin J. Baker to CEQ dated November 18, 2021, Docket No. CEQ-2021-0002-36121. The Tribe also participated as an amicus in the case of *Wild Virginia v. Council on Environmental Quality*, 544 F.Supp.3d 620 (W.D. Va. 2020), *aff'd*, 56 F.4th 281 (4th Cir. 2022), which dismissed challenges to the 2020 CEQ Rule. Several weeks ago, the Tribe submitted detailed comments addressing CEQ's proposed NEPA Phase 2 rulemaking. *See* "National Environmental Policy Act Implementing Regulations Revisions Phase 2," 88 Fed. Reg. 49,924 (July 31, 2023); Letter from Chairman Melvin J. Baker to CEQ dated September 26, 2023, CEQ-2023-003-27134.

On April 20, 2022, CEQ adopted its Phase 1 Final Rule (87 Fed. Reg. 23,453), which reversed key regulatory reforms to administration of NEPA that had been instituted in 2020. Slightly more than a year following CEQ's adoption of the Phase 1 Final Rule, Congress passed, and President Biden signed, the Fiscal Responsibility Act of 2023, Pub. L. No. 118-5 ("FRA"), which statutorily amended NEPA by clarifying its scope and adding efficiencies to NEPA's environmental review processes. Congress' FRA amendments to NEPA appeared to recognize that the NEPA process had reached a level of unworkability, particularly when the proposed Federal action involved large scale projects, such as those needed to upgrade the Nation's highway system, electrical grid, and major infrastructure. Among other provisions, the FRA facilitates effective inter-agency use of categorical exclusions to expedite projects that are not likely to cause significant adverse impacts to the environment. FRA, Pub. L. No. 118-5 § 321(a), 137 Stat. 43 (establish new NEPA § 109).

Just as the Tribe has experienced delays and challenges regarding development of tribal lands, the offshore leasing program has also become victim to the constantly changing interpretations and application of the NEPA process. In recognition of the importance of the National OCS Leasing Program and the size of investment implicated in making leasing and development decisions, we believe that a more expeditious process of review is needed. That process should not be one that abandons meaningful consideration of or mitigation of adverse environmental consequences. It should be one that provides greater certainty to the conduct of lease sales and planned development. In sum, we continue to encourage Congress to address permit reform, so resources and infrastructure development needed to provide affordable and reliable energy with a path to carbon neutrality can be achieved.

CONCLUSION

We hope this testimony provides information regarding the importance of OCS leasing to the Tribe and United States. Oil and gas production from the Gulf of Mexico does not just provide revenue and economic benefit to the U.S. while supporting national security. It also can be a critical supply of oil and gas to provide affordable and reliable energy throughout the energy transition to carbon neutrality. Again, we are most appreciative of the opportunity to present this testimony.

Mr. STAUBER. Thank you for your testimony. Our next witness is Ms. Megan Biven, who is the founder of True Transition. She is from Louisiana, but currently lives in Vienna, Austria.

Ms. Biven, you are now recognized for 5 minutes.

STATEMENT OF MEGAN BIVEN, FOUNDER, TRUE TRANSITION, VIENNA, AUSTRIA

Ms. BIVEN. Thank you so much. Chairman Stauber, Ranking Member Ocasio-Cortez, and distinguished members of the Subcommittee, thank you for inviting me to testify here today.

My name is Megan Biven, the Founder of True Transition, an organization dedicated to American energy produced by American workers for the benefit of American communities. Prior to this, I served within the Department of the Interior's Bureau of Ocean Energy Management, where I performed programmatic policy analysis and helped execute offshore lease sales.

I sit here today in an optimistic mood because, as divided as we Americans may seem to be, we actually do want the same things: energy security, a healthy and clean environment, good and safe jobs, shared prosperity, and a future we can be proud to leave to our children. To me, these hopes represent a strong foundation on which to build consensus.

We are here to consider the staggered 5-year program leasing schedule. I would like to suggest that this slowing down of the Gulf of Mexico conveyor belt presents an opportunity. Instead of focusing on delivering a lease sale every 6 months, let us instead focus on delivering our offshore workers back to their families at the end of their hitch.

True Transition recently conducted a national survey of American oil and gas workers. The results, which include responses from over 1,600 American workers, revealed troubling attitudes toward safety. For Gulf Coast states, over a third of respondents said they would hesitate to raise a workplace safety issue for fear of employer reprisal. Regulation on the OCS is more red carpet than red tape, and it is our workers who pay the price.

I see a few immediate actions that this body can take to improve its governance of this program and the safety of our Federal waters. The recent disaster of the Seacor Power and near misses, Deepwater Asgard and the Noble Globetrotter II, demonstrate a tension between the boardroom and the ship's bridge. And there should be no room for craven calls from a Houston high-rise while American workers face danger on a stormy gulf.

Therefore, I recommend that this body directs BSEE and Coast Guard to create and issue a universal trigger to cease activity and commit to evacuation procedures during inclement weather.

Louisiana recently passed Jacob's Law, which mandates GPS beacons for offshore aircraft travel to and from Louisiana heliports. I recommend that BSEE build upon this success, and require that all operators provide beacons to all OCS workers, regardless of their work function. It is time to make these pieces of lifesaving equipment mandatory on the OCS.

A lease sale every 6 months doesn't actually guarantee jobs anymore. While we have doubled production on the Shelf, production jobs have cratered. The industry has learned to produce more with less workers. But you know what could create jobs? Eighteen thousand miles of no-longer-in-use pipelines sitting on the sea floor. Enforcing decommissioning obligations could begin immediately, utilizing workforces and docked vessels today.

A 2022 study estimates that decommissioning Gulf of Mexico infrastructure would create over 5,000 jobs per year. This is not counting the indirect jobs and scrap value of materials rotting and rusting in the Gulf, particularly steel. There is a second industrial act just waiting on the sea floor.

The OCS Gulf of Mexico Leasing Program, with its biannual sales, is an inherited policy of 1970s project independence. Project independence focused on shoring up American resources and building American capacity for Americans. We are producing more oil and gas now than we have at any point in American history. Our current posture, however, is one increasingly focused on export of American natural gas and, thanks to the 2015 repeal, crude oil.

American exports of crude oil have increased by 878 percent since the repeal. Indeed, in a time period of less than 2 months, we exported more crude oil than the entire 2022 Strategic Petroleum Reserve emergency withdrawal. Exports of natural gas also increased by 507 percent, despite an abundance of domestic natural gas resources. Last year, we experienced the largest annual increase in average residential electricity spending on record.

If we are going to pit American offshore wind destined to power American homes against natural gas or crude oil destined for foreign shores, I believe the American people deserve an honest answer on why.

We sometimes forget that we are the beneficiaries of deliberate planning. The modern American oil and gas supply chain was made possible by the steady hand and patient capital of the American Government. The diversification of our domestic energy supply will necessitate nothing less. We need a plan. We need to diversify our domestic energy supply. We are leaving gigawatts of energy and local good jobs on the table. All I ask is that we get to work.

Thank you so much.

[The prepared statement of Ms. Biven follows:]

PREPARED STATEMENT OF MEGAN BIVEN, FOUNDER, TRUE TRANSITION

Chairman Stauber, Ranking Member Ocasio-Cortez, and distinguished members of the subcommittee, thank you for inviting me to testify here today. My name is Megan Biven, the founder of True Transition, an organization dedicated to American energy produced by American energy workers for the benefit of American communities. Prior to this, I served within the Department of the Interior's Bureau of Ocean Energy Management, where I performed programmatic policy analysis, oversaw socioeconomic studies, and helped execute offshore lease sales.

I sit here today in an optimistic mood, because as divided as we Americans may seem to be, we actually *do* want the same things: Energy security, a healthy and clean environment, good and safe jobs, shared prosperity, and a future we can be proud to leave to our children. To me, these hopes and desires represent a strong foundation on which to build consensus.

We are here to consider the staggered 5-year-program leasing schedule. I would like to suggest that this slowing down of the Gulf of Mexico conveyor belt presents an opportunity to assess the efficacy and future of our nation's offshore energy program. This also provides time for this body to commit to a coherent national energy policy, which at the time of this testimony, we do not have.

To the issue of our present energy policy, I ask the Committee to consider some history. We sometimes forget that we are the beneficiaries of deliberate planning. The modern American oil and gas supply chain was made possible by the steady hand and patient capital of the American Government. In the earliest days of oil and gas production, the industry was at risk of committing "competitive suicide" and state and federal governments intervened to set production limits and oversee shared pipeline use saving the early industry from itself. Today, private oil and gas producers still enjoy the preferential tax treatment of intangible drilling costs and many other public subsidies. During World War 2, the American Government constructed a 1,340-mile pipeline to transport oil from Texas to the Midwest and over 30 new refineries. The arsenal of democracy was financed by the people.[1] The earliest Outer Continental Shelf (OCS) infrastructure was made possible by the Surplus Property Act of 1944[2] which made available to industry the military crafts and technologies as surplus war assets. This was all pursued with the explicit understanding that domestic production of energy was a public good that necessitated public leadership. And indeed today's leasing program is a vestige of that principle. American regulation has consistently cradled and nurtured the oil and gas industry and continues to do so to this today.[3]

The OCS Gulf of Mexico leasing program, with its biannual sales, is a fragment of an inherited policy of 1970s Project Independence. Project Independence focused on shoring up American resources and building American capacity, establishing the Strategic Petroleum Reserve and implementing the Crude Oil Export Ban. Our current posture, however, is one increasingly focused on export of American natural gas, and thanks to the 2015 Congressional repeal, crude oil. American exports of crude oil have increased by 878% (Figure 1) since the repeal.[4] Indeed, in a time period of less than two months, we export more crude oil than the entire 2022 Strategic Petroleum Reserve emergency withdrawal.[5] Exports of natural gas increased by 507% (Figure 2).[6] Natural gas supplies 40% of our nation's electrical needs, and yet, last year we experienced the largest annual increase in average residential electricity spending since the Energy Information Administration began calculating it in 1984.[7] If we are going to pit American offshore wind destined to power American homes versus natural gas or crude oil destined for foreign shores, I believe the American people deserve an honest answer on why fossil fuel production destined for export should be privileged over domestic wind energy destined for domestic use. Indeed, as we bring back and rebuild American manufacturing and supply chains, what is our energy security plan? Is our new role simply a provider of raw commodities we dutifully send abroad?

[1] Wilson, Mark R. Destructive Creation: American Business and the Winning of World War II: American Business and the WInning of World War II. University of Pennsylvania Press Philadelphia. 2016.

[2] Austin, Diane. History of the Offshore Oil and Gas Industry in Southern Louisiana Volume I: Papers on the Evolving Offshore Industry. OCS Study MMS 2008-042 https://espis.boem.gov/final%20reports/4530.pdf

[3] Isser, Steve. The Economics and Politics of the United States Oil Industry 1920–1990: Profits, Populism, and Petroleum. Routlege 1996.

[4] U.S. Energy Information Administration. U.S. Exports of Crude Oil. https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCREXUS2&f=M

[5] Crude oil exports: 3,576 thousand barrels per day; SPR FY 2022 Emergency Sale: 180 million barrels

[6] U.S. Energy Information Administration. U.S. Natural Gas Exports. https://www.eia.gov/dnav/ng/hist/n9130us2a.htm

[7] U.S. Energy Information Administration. U.S. residential electricity bills increased 5% in 2022, after adjusting for inflation. https://www.eia.gov/todayinenergy/detail.php?id=56660#

Figure 1

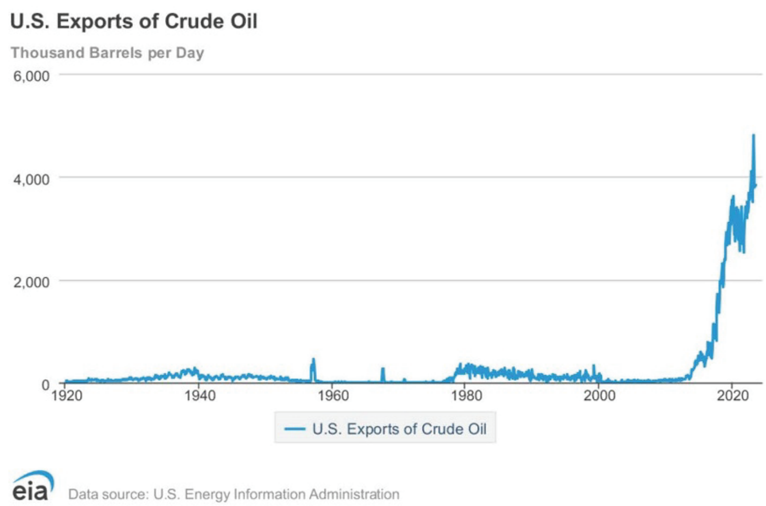
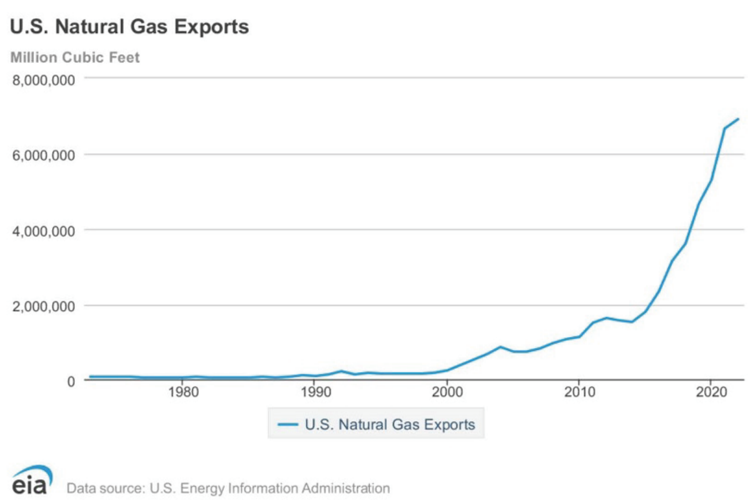


Figure 2



Then there is the question of jobs. Production on the OCS has doubled in the last decade primarily from hitting deeper fields and the rise of more efficient production technologies. But in Louisiana, the staging ground for the OCS, direct employment in "oil & gas extraction" fell by 27% and jobs for "drilling oil & gas wells" plummeted by 62% between 2008 and 2019.[8] The energy transition has not even begun, but a jobs transition has. These trends have proven consistent onshore as well (Figures 3 & 4). The industry has learned to produce more with less workers.

Figure 3

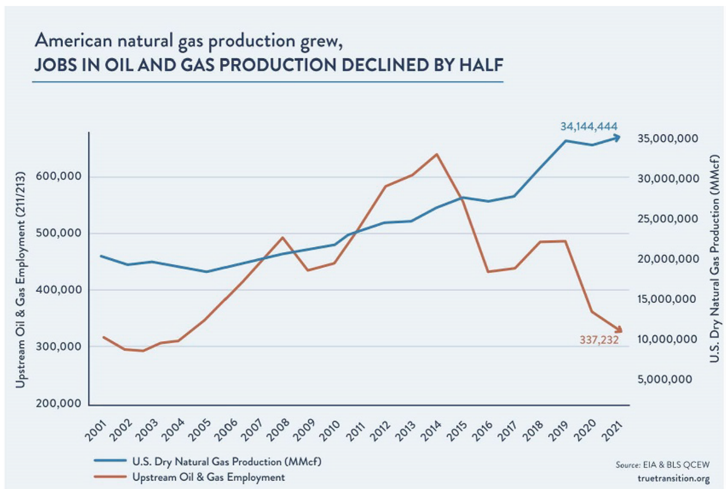
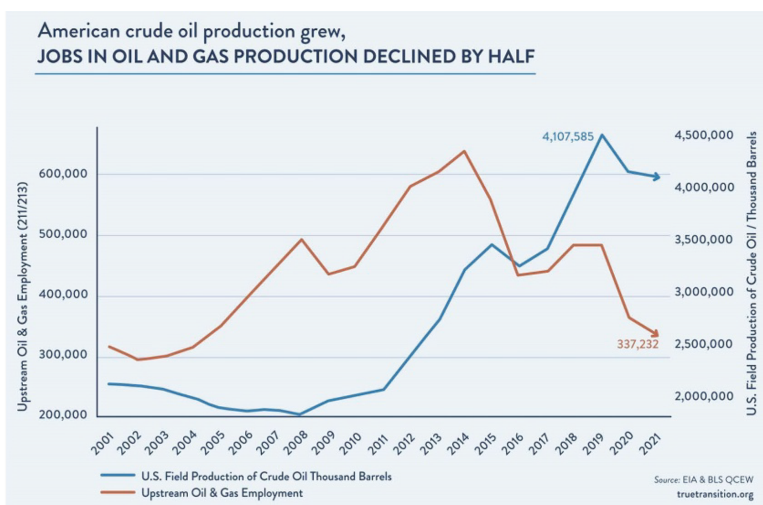


Figure 4



[8] ICF. The Economic Impact of the Oil and Natural Gas Industry in Louisiana. October 2020. Submitted to: The Louisiana Mid-Continent Oil & Gas Association (LMOGA) & American Petroleum Institute (API). https://www.lmoga.com/assets/uploads/documents/LMOGA-ICF-Louisiana-Economic-Impact-Report-10.2020.pdf

Because Louisiana is my home state and the beating heart of the OCS, I'd like to highlight some additional statistics: Louisiana is one of the top three natural gas-producing states [9] and first in the nation for poverty.[10] Louisiana's 15 oil refineries account for nearly one-fifth of the nation's refining capacity and Louisiana is 47th for median household income.[11] Louisiana is home to the nation's third-largest coal exporting port and Louisiana also boasts the highest incarceration rate in the world.[12] Louisiana's ports handled 35% of the nation's total natural gas exports in 2022 and Louisiana has the fifth highest infant mortality rate and second highest maternal death rate in the nation. Louisiana is home to two of the four storage sites that make up the U.S. Strategic Petroleum Reserve and Louisiana has the ninth highest cancer death rate in the nation and fourth lowest overall life expectancy nationally.[13] While there are 29 petrochemical plants and 12 LNG export facilities in various stages of planning in Louisiana, just under a dozen home insurance companies have fled the state leaving tens of thousands of Louisiana homeowners without insurance or premiums so high, they are sliding into poverty. It is painfully clear that *someone* is profiting from Louisiana's resources, just not most Louisianans. And these statistics do very little to tell the story of profound human suffering our fellow citizens endure everyday. What does a number tell you about an infant robbed of a mother before it is ever held?

Louisiana does receive a share from offshore production due to revenue sharing legislation like the Gulf of Mexico Energy Security Act (GOMESA), but because of severe coastal land loss caused by oil and gas fluid withdrawal and saltwater intrusion from the thousands of miles of pipelines that cut across our state, we must allocate those funds to a coastal restoration program to restore that damage. In the last 9 years, the Gulf OCS produced just under 6 billion barrels of crude oil, with an estimated $76 billion in profit siphoned from our public resources.[14] I often wonder what Louisiana would be like had we instead pursued a Norwegian-like model, with a state controlled energy company like Equinor and a more robust ownership share of its Continental Shelf resources. Established in 1990, the Government Pension Fund of Norway currently has over $1 trillion in assets, or $250,000 per Norwegian citizen.[15] Part of those profits are derived from American oil and gas resources.[16] The United States is the largest source of production for the company outside of Norway, and Equinor is one of the largest producers in the Gulf of Mexico. I suppose we can all sleep soundly knowing that there is a public benefit to our resources, just not ours.

It's my hope we won't make this same mistake for offshore wind. The diversification of our energy portfolio will demand nothing less than what was previously required for oil and gas, and I would recommend an even more muscular state involvement. Today, Orsted is 50.1% owned by the Denmark government, 7% combined with Denmark pension funds and the world's largest developer of offshore wind energy. Through Orsted, the Danish government is taking ownership of the emerging offshore energy industry, even in the United States. Companies like Orsted bring a tremendous amount of expertise and institutional knowledge to the United States which is a net positive. But we should also invest in our own institutions and people. Instead of foreign firms selling our wind and oil back to us, why not chart a different course? There is no reason why the United States government can't own and operate its own energy companies for the benefit of the American public. State owned entities can shore up strategic supplies and capacity, invest more into research and development, build large capital assets like offshore wind installation vessels, and commit to longer time horizons than investor owned companies constrained by transnational market whims. They can also retain workforces during periods of volatility. We can either invest in ourselves or we can allow others

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[9] U.S. Energy Information Administration. State Energy Profile. https://www.eia.gov/state/print.php?sid=LA https://www.eia.gov/state/print.php?sid=LA

[10] U.S. Department of Agriculture. Economic Research Service. Poverty Statistics. https://data.ers.usda.gov/reports.aspx?ID=17826#Pb61db6aa7e3c4868a2dc24abd42cede6_3_229iT3

[11] St. Louis Fed. Real Median Household Income by State, Annual 2022 https://fred.stlouisfed.org/release/tables?eid=259515&rid=249

[12] Prison Policy Initiative. States of Incarceration: The Global Context 2021. https://www.prisonpolicy.org/global/2021.html

[13] Center for Disease Control & Prevention. Life Expectancy at Birth by State. https://www.cdc.gov/nchs/pressroom/sosmap/life_expectancy/life_expectancy.htm

[14] U.S. Energy Information Administration. Profit estimates were calculated on break-even prices between $70 and $45. http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRFP3FM2&f=M

[15] Government Pension Fund Global. Norges Bank. https://www.nbim.no/

[16] Upstream Online. Equinor still sees US Gulf of Mexico as vital to its production base, but mostly as a minority partner. https://www.upstreamonline.com/exploration/equinor-still-sees-us-gulf-ofmexico-as-vital-to-its-production-base-but-mostly-as-a-minoritypartner/2-1-1287792

to profit from us. Perhaps we can take advantage of this staggered leasing schedule to commit to a bipartisan energy diversification plan and marshall those resources?

To the issue of our existing OCS oil and gas program. I would like to highlight two issues that pose a great risk to the American public: the oil and gas industry's asset retirement obligations and safety and transparency on the shelf. True Transition recently conducted a national survey of American oil and gas workers. The results, which include responses from over 1,600 American oil and gas workers, revealed troubling attitudes towards safety.[17] For Gulf Coast states, 37% of respondents said they would hesitate to raise a workplace safety issue for fear of employer reprisal and 38% said they had been ordered to engage in unsafe working practices against established safety protocols. We should sit with those figures. I certainly have. The workers standing between you and another Deepwater Horizon, do not feel they can do their job safely. Offshore operations can pose pronounced risks, especially because of shore distances from hospitals. Between 2012 and 2020, the oil and gas fields in federal waters of the Gulf of Mexico witnessed 188 reported collisions, 1,525 reported fires, and 2,080 reported injuries.[18] In a 2021 investigation, reporter Sara Sneath found that offshore oil and gas worker deaths were under-reported by the Bureau of Safety and Environmental Enforcement. Sneath found that the "agency does not count offshore fatalities that occur in state waters, or deaths that occur while workers are in transport to offshore facilities. They don't count deaths that happen on offshore platforms that aren't work related, either, even though the remoteness of offshore platforms makes it more difficult to seek medical attention and workers often stay on platforms for two weeks at a time."[19]

At the root of this declining safety culture is that many of the Bureau of Safety and Environmental Enforcement's safety regulations can be overly deferential to the operator, and outsources regulatory standards to a non-governmental entity and industry trade group, the American Petroleum Institute.[20] Regulation on the OCS is more red carpet than red tape, and it's our workers who pay the price. As an example, all OCS operators with manned vessels develop their own Emergency Evacuation Plans, where companies establish their own triggers for evacuation. After the recent maritime tragedy of the Seacor Power, and near misses (Transocean Deepwater Asgard and the Noble Globetrotter II), it is my concern that lessees are intentionally ignoring estimated evacuation time countdowns and plans to save on day rates, intentionally putting their workers in harm's way.

I see a few immediate actions that this body can take to improve its governance of this program. First, direct the United States Coast Guard and the Bureau of Safety and Environmental Enforcement in collaboration with the National Offshore Training Center to create uniform safety regulations and training curriculum that is reviewed and updated on a routine basis and required for all OCS participant companies and workers regardless of vessel flag, citizenship of workers (including temporary visa workers), incarcerated workers engaged in transitional work programs, and regardless of worker job duties. As we enter into a new era of multi uses which includes offshore wind, this provides a timely opportunity to create actual standards and clear metrics, so that whether a worker is on an OSV bound for a new offshore wind array, or for an oil and gas deepwater installation, he knows he will receive standard training and be protected by the same set of rules.

I also recommend that BSEE and Coast Guard create and issue a universal "trigger" to cease activity and commit to evacuation procedures. These recent disasters demonstrate a tension between the boardroom and the ship bridge, and there should be no room for craven calls from a Houston highrise while American workers face danger on a stormy Gulf. Finally, Louisiana recently passed "Jacob's Law" which mandates GPS beacons for offshore aircraft travel to and from Louisiana heliports. I recommend that BSEE build upon this success and require that all operators provide Personal Life Beacon (PLB) to all OCS workers, regardless of their work function. Following a marine disaster, the Coast Guard relies upon computer models to calculate where a person can drift over a period of time to focus rescue efforts. The price of current marine tested PLBs are nominal and would save time and resources locating lost mariners. They would also save priceless lives. It is time to make these pieces of equipment mandatory on the OCS.

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[17] True Transition. The Future of Energy & Work in the United States: The American Oil & Gas Worker Survey. https://www.truetransition.org/research-reports

[18] BSEE Offshore Incidents Statistics. https://www.bsee.gov/statsfacts/offshore-incident-statistics

[19] Sneath, Sara. Offshore oil and gas worker fatalities are underreported by federal safety agency. Southerly. August 2021. https://southerlymag.org/2021/08/18/offshore-oil-and-gas-workerfatalities-are-underreported-by-federal-safety-agency/

[20] U.S. Coast Guard 33 CFR § 146.140—Emergency Evacuation Plan. COMDTINST 16000.76 September 2021

Now onto the oil and gas industry's asset retirement obligations, in other words, the junk they left behind. The Lease Agreement signed between companies and the American government states that lessees must, "permanently plug such wells, remove such platforms and other facilities, decommission such pipelines, and clear the seafloor of all associated obstructions created by the lease operations." I am sad to report that this has not been the case. Since the 1960s, the Department of the Interior has allowed the offshore oil and gas industry to discard 97% of pipelines (18,000 miles) on the seafloor when no longer in use.[21] (Figure 5) A majority of these were approved in the last 13 years, just as companies stampeded out of the Gulf of Mexico and into the Texas and New Mexico Permian Basin. Assuming 40-feet segments at a weight of 15-tons each, this amounts to 35.6 million tons (78 billion pounds) of pipe serving no commercial or public purpose. They do however leak and shift, and obstruct sand dredging for coastal restoration, and preclude other future commercial uses like offshore wind.[22]

There is good news, however. Interior can simply enforce the legal contract companies agreed to: no more decommissioning in place. They can also make companies who had previously been allowed to decommission pipelines in place to follow the Lease Agreement and clear the seafloor of all associated obstructions created by the lease operations. Department of Interior Secretary Deb Haaland may determine that a pipeline is no longer useful and require its immediate decommissioning. The Bureau of Safety & Environmental Enforcement Gulf of Mexico Regional Supervisor also has clear legal authority to order the removal of a pipeline decommissioned in place.[23] To make this administratively feasible, I recommend the establishment of an "Idle Iron Pipeline" program that prioritizes removal based on alternative uses or potential for hazards.

And there is even better news. The economic activity spurred by stepping up enforcement of these obligations could be significant. As already mentioned, production on the OCS has doubled in the last decade primarily from more efficient production technologies. A consequence of these efficiency gains is that the complex web of shipyards and fabrication yards and offshore supply vessels and service companies in the Gulf sit idle and lay off employees. Many of these service companies see offshore wind and coastal restoration as a natural pivot for their services and workforces, and they are ready to get to work.

Enforcing decommissioning obligations could begin immediately, utilizing workforces and equipment today. A 2022 study estimates that decommissioning Gulf of Mexico infrastructure "would create 5,265 jobs per year to complete this work, including direct workers, contractors, and suppliers.[24] After taking into account household spending in the economy, this P&A expenditure would be associated with more than 10,500 jobs per year, economy-wide." This is not counting the scrap value of materials rotting and rusting in the Gulf, particularly steel. The Department of Energy found that steel scrap can eliminate up to 90% of the total energy consumed by integrated steelmaking by reducing the quantity of virgin iron required.[25] Just one offshore platform can boast tens of thousands of tons of high quality steel that can be reused for land building dredge boats, offshore wind turbines, and other industrial structures. There's a second industrial act just waiting on the seafloor.

Finally, I request that this body craft legislation to push the costs of these liabilities back onto the industry that profited from our shared public resources. To deal with already orphaned wells, discarded infrastructure, and decommissioned-in-place pipelines without a solvent owner to pursue, I strongly suggest that Congress pass legislation that establishes and implements an industry-wide levy that is deposited into a dedicated trust fund, similar to the federal Abandoned Mine Land Fund. In 2022, OCS crude oil production exploded to 636 million barrels of crude oil with an estimated gross $60.1 billion in revenue. This is almost the exact estimated high end decommissioning cost for the entire Gulf of Mexico. Either the industry that has profited from these resources pay, or it forces the tab upon the American public.

The public can and should expect more public benefits from its public resources. American energy workers should expect the highest quality and safest workplaces on the planet. The United States should lead on training, compensation, and

[21] U.S. Government Accountability Office. GAO-21-293 Offshore Oil and Gas: Updated Regulations Needed to Improve Pipeline Oversight and Decommissioning. Published: Mar 19, 2021. Publicly Released: Apr 19, 2021. https://www.gao.gov/products/gao-21-293

[22]

[23] 30 CFR § 250.1754

[24] Agerton, Mark. Considering a Federal Program to Permanently Plug and Abandon Offshore Oil and Gas Wells. https://www.energypolicy.columbia.edu/wp-content/uploads/2022/04/OffshoreWells-CGEP_Report_111022.pdf

[25] Lowder, Travis. National Renewable Energy Laboratory. Scrap Supply Chains and Residual Impacts: Benchmarking Price Implications Today and Into the Future. May 2022.

standards. America should be the vanguard of energy diversification and climate mitigation. In no way does holding offshore wind hostage benefit the American people. The diversification of our domestic energy supply will necessitate nothing less than united, steady governance and the might of our Government. We need a plan. We need to diversify our domestic energy supply and secure our future. We are leaving gigawatts of energy and local, good jobs on the table. All I ask is that we get to work.

Additional Safety Recommendations

OCS Safety Standardization.

BSEE's safety regulations can be overly deferential to the operator and outsources regulatory standards to the American Petroleum Institute's RP 75 as BSEE's mandated safety practice. The document itself is only available for purchase and some smaller contractors on the OCS have reported that they do not have enough employees to qualify to purchase API documents or the prices are too high. We recommend that USCG and BSEE in conjunction with the National Offshore Training Center (NOTC) create a uniform safety training curriculum that is reviewed and updated routinely and required for all OCS workers regardless of vessel flag, citizenship of workers (including temporary visa workers), incarcerated workers engaged in transitional work programs, and regardless of worker job duties. Offshore workers should be required to know how to swim and be able to pass a swim test prior to offshore work certification. We recommend that BSEE and USGS create a certification for training centers so that operators know which training centers provide the approved training. We also recommend that the Interior require that operators shoulder the cost of these training requirements and not individual workers. Seacor Power survivor, Brandon Aucoin, told federal investigators about his harrowing experience waking up to the vessel capsizing.[26] He explained that his safety training prepared him for his ordeal in the Gulf and saved his life. He also revealed that one of the men, one of the vessel cooks, did not have a life jacket as a group of five were making their way out of the sinking vessel. It is imperative that all people working in the OCS are prepared for potentially life threatening conditions. As we enter into a new era of multi uses which includes offshore wind, this provides a timely opportunity to review these requirements and standardize these safety requirements. Potential offshore wind Project Labor Agreements and workforce development bidding credits provide an opportunity for the Interior to craft uniform accreditations and requirements for working offshore. BOEM and BSEE must determine what will constitute a successful workforce training program and what constitutes "fully trained personnel." This implies strict criteria and clear metrics. Because the notice of sale explicitly says that training of employed personnel would not qualify, this implies funding third-party educational programs—again these programs must conform to a government developed set of criteria.

Uniform Evacuation Trigger.

There is evidence that the frequency of tropical systems is increasing, as is the rapid intensification of these storms.[27] All OCS operators with manned vessels are required to develop and implement an "Emergency Evacuation Plan."[28] Operators of drillships and mobile drilling units (MODUs) are required to submit a Stacking Plan which includes the means to evacuate personnel in case of emergency and emergency response procedures to the US Coast Guard Officer in Charge.[29] These regulations are largely deferential to operators, allowing companies to establish their own triggers for evacuation: "Describe the recognized circumstances, such as fires or blowouts, and environmental conditions, such as approaching hurricanes or ice floes, in which the facility or its personnel would be placed in jeopardy and a

[26] USCG. Exhibit 224—NTSB Interview Transcript—Aucoin—Survivor—Cardinal. https://www.news.uscg.mil/Portals/11/Headquarters/Investigations/Seacor-Power/Exhibit%20224%20-%20NTSB%20Interview%20Transcript%20-%20Aucoin%20-%20Survivor%20-%20Cardinal.pdf?ver=2Kbp6OiH90msOTdP_Y4JhQ%3d%3d

[27] Tom Knutson, Senior Scientist, NOAA/GFDL. Global Warming and Hurricanes An Overview of Current Research Results. https://www.gfdl.noaa.gov/global-warming-and-hurricanes/

[28] U.S. Coast Guard 33 CFR § 146.140—Emergency Evacuation Plan. COMDTINST 16000.76 September 2021

[29] U.S. Coast Guard Marine Safety: Outer Continental Shelf Activities. https://www.dco.uscg.mil/Portals/9/OCSNCOE/References/COMDTINSTs/CIM-16000.76-OCS-Activities.PDF?ver=KXStelJ-e-XS5VzhMBweeA%3d%3d

mass evacuation of the facility's personnel would be recommended."[30,31] We recommend that BSEE and USCG create and issue a "trigger" to cease activity and commit to evacuation procedures. We recommend that BSEE and USCG create a process for captains to check in with district offices and secure official endorsement for decisions that protect the lives of their crew. We recommend the creation of a documentation template for these approvals to protect vessel captains and/or crew from retaliation or wrongful termination based on those decisions.

Mandatory OCS Life Beacons.

We recommend that BSEE require that all operators provide PLBs-Personal Locator Beacons to all OCS workers, regardless of their industry or work function. Following a marine disaster, the US Coast Guard relies upon computer models to calculate where a person can drift over a period of time to focus research and rescue efforts. As the organization, Jason's Beacon (created in honor of Seacor victim, Jason Willis Krel) describes, "There are so many stories from survivors where in broad daylight boats passed right by them and planes or helicopters flew right over them before they were finally rescued, sometimes days later, and these boats and planes were searching specifically for them."[32] The price of current marine tested PLBs are nominal and would save time and resources locating lost mariners. They would also save priceless lives. It is time to make these pieces of equipment mandatory on the OCS.

OCS Census.

We recommend that BSEE and BOEM prioritize a joint study through the Environmental Studies Program characterizing workforce demographics and employee-employer relationships. The OCS GOM census and survey should assess all OCS workers, from drilling to production crews, to OSV dining and sanitation workers to underwater welders. How many workers are temporary visa workers (OCS-B), and how many are employed via state prison transitional work programs, how many are 1099 and how many are full time employees? What are safety conditions like—were workers provided adequate training and do they feel comfortable raising safety issues? We would be glad to coordinate in the development of this survey.

Additional Orphaned Liabilities Recommendations

Fit to bid:

Using existing authority, increase Legal, Technical, and Financial Qualifications to Bid on OCS Oil & Gas Leases. The Outer Continental Shelf Lands Act grants the Secretary discretion to determine "qualification for participation." There must be a more stringent minimum threshold to hold an oil and gas lease on the OCS. In a very real way, the American government via the Bureau of Ocean Energy Management functions like a bank. It extends credit on the resources of the United States to private entities. Just as a bank must evaluate a loan applicant's risk before granting a loan, so too must BOEM evaluate a potential lessee's risk before allowing that company to participate in the program.

Cash on Hand:

Require individual, sinking trust funds (bankruptcy remote) with BSEE as beneficiary for each permitted well, pipeline and supporting infrastructure. A requirement like this would force companies to actually set aside enough money to safely retire their wells once they're done producing. Trust funds should be pegged to BSEE's P90 forecasts. When a lessee has ceased operations, the money will be there. If a lessee becomes insolvent, the money will be there.

- Lessees would be able to choose either a lump-sum payment upon establishment of the trust that reflects the estimated full costs of decommissioning, or pay an annual payment into a sinking trust fund until it reaches the estimated full cost. Everyone should set aside a little bit each month for retirement. It's time the oil and gas industry is forced to prepare for the end as well.
- Lessees opting for an annual trust fund payment must also purchase a full cost surety bond for each individual well. The surety bond required amount is gradually reduced as the amount in the trust fund with annual payment

[30] U.S. Coast Guard 33 CFR § 146.140—Emergency Evacuation Plan. COMDTINST 16000.76 September 2021

[31] Sneath, Sara. Oil Workers On Foreign-Flagged Ships Are At The Mercy of Corporations. May 2022. https://ca.movies.yahoo.com/oil-workers-foreign-flagged-ships-130004587.html

[32] https://www.jasonsbeacon.org/

increases. The surety bond amount should also be pegged to BSEE's P90 forecasts. The two accounts will be inversely proportional to minimize the federal government's exposure to the leases's risks. The less funds in the trust fund, the more surety that is required. As the holdings in the trust fund increase, the required annual bonding amount also decreases.

Orphaned Liability Trust Fund:

To deal with the millions of already abandoned and inactive wells, Congress should pass legislation that establishes and implements an industry-wide levy that is deposited into a dedicated trust fund, similar to the federal Abandoned Mine Land Fund. While estimates vary, it could cost anywhere between $60 to $435 billion to P&A the nation's abandoned and orphaned wells.[33] Either the industry that has profited from these resources pay, or it forces the tab upon the general public.

Idle Iron Pipeline:

30 CFR § 250.1754 establishes clear authority to the BSEE Regional Supervisor to order the removal of a pipeline decommissioned in place if that pipeline constitutes an obstruction. These pipelines provide no physical or material benefit to the American public, but they do impose an artificial limit on alternative commercial and national security uses. To make this administratively feasible, we recommend the establishment of an "Idle Iron Pipeline" program that prioritizes removal based on alternative uses or potential for hazards.

Parental Liability:

BOEM issues a Notice to Lessees that requires Lessees to provide a parent company guarantee for subsidiaries. The NTL should make it clear that parent companies are directly, jointly and severally liable for asset retirement obligations. Parent companies derive traceable financial benefit from OCS leases, and their direct liability should be unambiguous. It is against common sense and the spirit of the OCS program to allow a regime where multinationals or any company can only derive benefits and then stick the liability onto the American public. This provision should be added as a Lease Stipulation in the Notice of Lease Sale documents and OCS Lease Agreements.

Office of Well Thrift Supervision:

Congress creates this entity to function as a pass-through receivership in which all assets, and certain nondeposit liabilities of original oil and gas institutions are instantly "passed through the receiver" to a newly chartered federal mutual association, the American Well Corporation. The American Well Corporation, housed in the Department of the Interior, can take over orphaned leases and operate in the American public's interest. Appointed DOI representatives will act as Conservators of leases, running them in the public's interest, winding down insolvent wells, and cleaning up inactive and depleted wells and supporting infrastructure with the proceeds from remaining production. Interior can directly employ production and support staff or contract out to approved operators. Instead of settling for just a percentage of profits, Interior can secure 100% of those profits to address orphaned OCS infrastructure and for the United States Treasury. And/ or Interior can allocate a percentage or all production to the Strategic Petroleum Reserve. This will likely require legislation to enact, but we recommend that just as BSEE has requested additional funds to address orphaned liabilities in its recent Budgetary Justifications, that so too, we recommend that BOEM and BSEE will make the case through its Congressional Affairs Office that an American Well Corporation will be in the interest of the American public. True Transition will gladly assist in any of those efforts.

Mr. STAUBER. Thank you very much for your testimony. Our last witness is Ms. Liz Klein, who is the Director for the Bureau of Ocean Energy Management located right here in Washington, DC.

Director Klein, you are now recognized for 5 minutes.

[33] American Carbon Registry, "Methodology for Quantification, Monitoring, Reporting and Verification of Greenhouse Gas Emissions Reductions from Plugging Abandoned and Orphaned Oil and Gas Wells," April 2022, p.40. Retrieved from https://americancarbonregistry.org/carbon-accounting/standards-methodologies/plugging-abandoned-orphaned-oil-and-gas-wells/1-0-acr_aoog_peer_review_04272022.pdf

STATEMENT OF LIZ KLEIN, DIRECTOR, BUREAU OF OCEAN ENERGY MANAGEMENT, WASHINGTON, DC

Ms. KLEIN. Chairman Stauber, Ranking Member Ocasio-Cortez, and members of the Subcommittee, I am pleased to appear before you today to discuss the Bureau of Ocean Energy Management's development of the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program. My name is Liz Klein, and I am the Director of BOEM at the Department of the Interior.

This Administration is committed to ensuring safe and responsible domestic oil and gas production that meets the country's energy needs while minimizing impacts to the environment. The Outer Continental Shelf Lands Act, or OCSLA, requires BOEM to prepare and periodically revise an oil and gas leasing program that includes a proposed schedule of oil and gas lease sales for the 5-year period following approval of the program. This is, of course, referred to as the National OCS Oil and Gas Leasing Program, or the National OCS program, sometimes the Five-Year Plan.

As specified by Section 18 of OCSLA, preparation and approval of a national OCS program is based on the Secretary of the Interior balancing specific requirements and factors, and selecting the size, timing, and location of OCS lease sales that best meet regional and national energy needs and consider the impact of oil and gas exploration on the marine, coastal, and human environments.

The proposed final program includes three potential OCS oil and gas lease sales in the Gulf of Mexico program area, scheduled for 2025, 2027, and 2029. These three potential lease sales were chosen because they have the greatest resource potential and net benefits with the least potentially significant impacts and costs to society. The Secretary believes that this proposed schedule will best meet national energy needs for the next 5 years under existing laws and policies.

The three potential sales in the proposed final program will also enable the Department to continue to issue offshore wind leases, in compliance with the provision of the Inflation Reduction Act that prohibits BOEM from issuing new offshore wind leases unless it is offered at least 60 million acres for oil and gas leasing on the OCS in the previous year. This proposed final program thus ensures continued progress toward the Administration's goal of 30 gigawatts of offshore wind by 2030.

The area considered for leasing has been narrowed to the Gulf of Mexico OCS, where there is existing production and infrastructure. This area includes the portions of the western, central, and eastern Gulf of Mexico planning areas not currently under Presidential withdrawal. The Cook Inlet Program area in Alaska, which has generated low industry interest for many years, including in Lease Sale 258, has not been included in the potential lease sale schedule.

Following the publication of the proposed final program and final Programmatic Environmental Impact Statement, a 60-day waiting period is required before the Secretary can formally approve the program and finalize a Record of Decision. The Secretary has committed to issuing that final decision on the next national OCS program by the end of calendar year 2023.

BOEM also recently published a call for information and nominations in the Federal Register regarding the potential future Gulf of Mexico oil and gas lease sales included in the next national OCS program. Simultaneously, BOEM also published a Notice of Intent to prepare a Programmatic Environmental Impact Statement under NEPA to analyze the potential impacts of a representative sale in the Gulf of Mexico during the next national OCS program, as well as the ongoing and potential associated site and activity-specific oil and gas related approvals. Collectively, these actions will allow BOEM to move forward on implementing the new program.

Chairman Stauber and Ranking Member Ocasio-Cortez, thank you again for the opportunity to be here today to discuss BOEM's efforts to create an oil and gas leasing program that will meet the nation's energy needs while minimizing impacts to the human, marine, and coastal environment. The national OCS program remains a core element of the Administration's continued commitment to ensuring a clean and low-cost energy future, one that is sustainable and benefits all Americans.

I look forward to working with the Subcommittee on these important issues, and I am happy to answer any questions that you or members of the Subcommittee may have. Thank you.

[The prepared statement of Ms. Klein follows:]

PREPARED STATEMENT OF ELIZABETH KLEIN, DIRECTOR, BUREAU OF OCEAN ENERGY MANAGEMENT, U.S. DEPARTMENT OF THE INTERIOR

Introduction

Chairman Stauber, Ranking Member Ocasio-Cortez and members of the Subcommittee, I am pleased to appear before you today to discuss the Bureau of Ocean Energy Management's (BOEM) development of the 2024–2029 National Outer Continental Shelf (OCS) Oil and Gas Leasing Program. My name is Elizabeth Klein, and I am the Director of BOEM at the Department of the Interior. The Administration is committed to ensuring safe and responsible domestic oil and gas production that meets the country's energy needs while minimizing impacts to the environment.

Developing the Next National OCS Program

The Outer Continental Shelf Lands Act (OCSLA) requires BOEM to prepare and periodically revise an oil and gas leasing program that includes a proposed schedule of oil and gas lease sales for the five-year period following approval or reapproval of the program. This is colloquially referred to as the National OCS Oil and Gas Leasing Program (National OCS Program). As specified by Section 18 of OCSLA, preparation and approval of a National OCS Program is based on the Secretary of the Interior balancing specific requirements and factors and selecting the size, timing, and location of OCS lease sales that best meet regional and national energy needs and consider the impact of oil and gas exploration on the marine, coastal, and human environments.

The Proposed Final Program includes three potential OCS oil and gas lease sales in the Gulf of Mexico (GOM) Program Area, scheduled for 2025, 2027, and 2029. The size, timing, and location of these three potential lease sales were chosen because they have the greatest resource potential and net benefits with the least potentially significant impacts and costs to society. The Secretary believes that this proposed schedule will best meet national energy needs for the next five years under existing laws and policies.

The three potential sales in the Proposed Final Program will enable the Department to continue to issue offshore wind leases in compliance with the provision of the Inflation Reduction Act (IRA) that prohibits BOEM from issuing new offshore wind leases unless BOEM has held an offshore lease sale by which BOEM has offered at least 60 million acres for oil and gas leasing on the OCS in the previous year, ensuring continued progress towards the Administration's goal of 30 gigawatts of offshore wind by 2030.

The area considered for leasing has been narrowed to the GOM OCS where there is existing production and infrastructure. This area includes the portions of the Western, Central, and Eastern GOM planning areas not currently under Presidential withdrawal. The Cook Inlet Program Area in Alaska, which has generated low industry interest for many years including in Lease Sale 258, has not been included in the potential lease sale schedule.

Following the publication of the Proposed Final Program and Final Programmatic Environmental Impact Statement (EIS), a 60-day waiting period is required before the Secretary can formally approve the program and finalize the Record of Decision. The Secretary has committed to issuing a final decision on the 2024–2029 Program by the end of calendar year 2023.

BOEM recently published a Call for Information and Nominations in the Federal Register regarding the potential future GOM oil and gas lease sales included in the 2024–2029 National OCS Program. Simultaneously, BOEM also published a Notice of Intent to prepare a Programmatic EIS to analyze the potential impacts of a representative lease sale in the GOM during the 2024–2029 National OCS Program, as well as ongoing and potential associated site- and activity-specific oil- and gas-related activity approvals.

Collectively, these actions will allow BOEM to move forward on implementing the new Program.

Recent Leasing Activities

U.S. offshore oil and gas resources currently remain an important component of our domestic energy portfolio and contribute to the Nation's economic output. BOEM has held 10 lease sales since the start of the 2017–2022 Program, generating approximately $1.5 billion in bonus payments. As BOEM prepares to implement the next National OCS Program, we continue to comply with Congressional direction included in the IRA regarding specific oil and gas lease sales. BOEM has worked expeditiously to schedule and hold Lease Sales 258, 259, and 261 by the dates mandated in the IRA. BOEM held Cook Inlet Lease Sale 258 on December 30, 2022, resulting in one bid of $63,983 and the issuance of one lease. BOEM held Gulf of Mexico Lease Sale 259 on March 29, 2023. That sale generated $263.8 million in high bids for 313 tracts and resulted in 295 leases covering 1.57 million acres.

Lease Sale 261 was originally scheduled for September 27, 2023, in line with the IRA deadline to hold the sale by September 30, 2023. In accordance with recent court rulings, BOEM published a revised final notice of sale in the Federal Register on October 6, 2023, has rescheduled the sale for November 8, 2023, and will offer over 72 million acres for lease. Consistent with those recent court rulings, BOEM will include lease blocks that were previously excluded from the earlier-scheduled sale due to concerns regarding potential impacts to the Rice's whale in the Gulf of Mexico. BOEM will also remove portions of a related stipulation meant to address potential impacts to the Rice's whale from the lease terms for the leases that may be issued as a result of Lease Sale 261.

Financial Assurance

In addition to planning for the next National OCS Program, BOEM has proposed changes to modernize financial assurance requirements for the offshore oil and gas industry to better protect American taxpayers from incurring the costs associated with the industry's responsibility to decommission offshore wells and infrastructure no longer in use.

Recent corporate bankruptcies in the offshore oil and gas industry and increasingly aging infrastructure have underscored the need for financial assurance reform. If BOEM holds insufficient financial assurance at the time of bankruptcy, the government may have to perform the decommissioning, with the cost being borne by the American taxpayer. Delays in decommissioning can lead to environmental damage and other risks. BOEM currently holds $3.3 billion in bonds, which cover approximately 8% of the estimated $42.8 billion in estimated offshore decommissioning liabilities.

The proposed rule would establish two metrics by which BOEM would assess the risk any company poses for the American taxpayer.

First, to predict financial distress accurately and consistently, BOEM proposed using credit ratings from a nationally recognized statistical rating organization or a proxy credit rating generated through a statistical model. BOEM would require companies without an investment grade credit rating to provide additional financial assurance.

Second, BOEM proposed consideration of the current value of the proved oil and gas reserves on the lease itself when determining the overall financial risk of decommissioning, given that any lease with significant reserves would likely be acquired by another operator that would then assume the liabilities in the event of bankruptcy.

The proposed regulatory changes would provide additional clarity and reinforce that current grant holders and lessees bear the cost of ensuring compliance with lease obligations, rather than relying on prior owners to cover those costs.

BOEM received over 2,100 public comments on the proposed rule. We are currently reviewing comments and anticipate issuing a final rule by early next year.

Conclusion

Chairman Stauber and Ranking Member Ocasio-Cortez, thank you again for the opportunity to be here today to discuss BOEM's efforts to create an oil and gas leasing program that will meet the Nation's energy needs while minimizing impacts to the human, marine, and coastal environment. The National OCS Program remains a core element of the Administration's continued commitment to ensuring a clean and low-cost energy future—one that is sustainable and benefits all Americans. I look forward to working with the Subcommittee on these important issues. I am happy to answer any questions that you or members of the Subcommittee may have.

QUESTIONS SUBMITTED FOR THE RECORD TO MS. KLEIN, DIRECTOR, BOEM

Ms. Klein did not submit responses to the Committee by the appropriate deadline for inclusion in the printed record.

Questions Submitted by Representative Graves

Question 1. Director Klein, in every lease awarded, whether for traditional energy or renewable energy, BOEM includes language that states: "lessees must conduct all activities in the leased area consistent with all applicable laws and regulations." How does BOEM conduct oversight to ensure activities conducted on the lease, whether conducted by the lessee or contractor of the lessee, are in full compliance with applicable law, particularly with respect to those laws outside the jurisdiction of the Department?

Question 2. Further, what are the procedures if BOEM is made aware that a lessee has contracted with a foreign company that is operating in violation of U.S. law? If BOEM determines a lessee is not conducting all activities legally, what is the range of remedies BOEM has at its discretion?

Mr. STAUBER. Thank you, Director Klein. The Chair will now recognize Members for 5 minutes of questions, and I now recognize myself for 5 minutes.

Director Klein, on average, previous administrations have only held about half of the lease sales they have included in their respective 5-year plans. The plan put forth by the Biden administration includes three lease sales over the next 5 years. How many lease sales will the Biden administration hold over the next 5 years?

Ms. KLEIN. The proposed final program puts out a schedule of three lease sales. Those are scheduled to take place in 2025, 2027, and 2029. The Secretary, as I have mentioned, has committed to putting out a final decision on that proposed final program before the end of the year.

We have started the NEPA process for the first lease sales in 2025.

Mr. STAUBER. Director Klein, real quick, just yes or no, are you planning on holding three lease sales?

Ms. KLEIN. The proposed final program plans to hold three lease sales.

Mr. STAUBER. The proposed is to hold three. Are you guaranteeing three?

Ms. KLEIN. I don't know that I will be here in 2025, so I can't say what will happen at that time. But the proposed final program proposes three lease sales.

Mr. STAUBER. OK. By not providing the firm answer, it is very clear that the Administration is refusing to commit to holding offshore lease sales.

Director Klein, how long does the NEPA process typically take for offshore lease sales?

Ms. KLEIN. The NEPA process to evaluate the potential impacts of proposed lease sales in the 5-year plan generally takes anywhere from 16 to 18 months, possibly 2 years. We have started that process and feel confident we can complete it before the scheduled lease sale in 2025.

Mr. STAUBER. Did you say you started the NEPA process on these proposed lease sales, these three?

Ms. KLEIN. Yes, we issued a Notice of Intent at the same time that we issued the proposed final program.

Mr. STAUBER. And what date was that on?

Ms. KLEIN. September 29, I think, was the date we issued the proposed final program.

Mr. STAUBER. OK, September 29 of 2023?

Ms. KLEIN. Yes.

Mr. STAUBER. So, we are looking at least to 2025 and beyond.

Ms. KLEIN. We feel confident that the NEPA process that is necessary to hold a lease sale in 2025 can be completed in time to hold that sale in 2025.

Mr. STAUBER. I just want to remind you that BOEM's Deputy Director shared with this Committee that the process can take as long as 2 years. And you would agree with that?

Ms. KLEIN. Sometimes NEPA processes can take 2 years. The process that we have started with the Notice of Intent to evaluate these sales, we feel confident we can complete that in 2025.

Mr. STAUBER. Director Klein, when does the Biden administration plan to finalize its 5-year plan?

Ms. KLEIN. As I mentioned, the proposed final program, there is a 60-day required period before a Record of Decision can be issued. The Secretary is committed to issuing a decision before the end of this year.

Mr. STAUBER. So, we could say December 31?

Ms. KLEIN. I am hoping to avoid the holidays.

Mr. STAUBER. OK, before the holidays. Based on BOEM's own logic and math, if the plan is finalized before the holidays and the NEPA process begins immediately, as you said, in September, the first lease sale isn't going to realistically be held until December 2025 or beyond. Again, this is based on BOEM's own math.

Director Klein, will you commit to holding a lease sale in 2025, as outlined in the 5-year plan?

Ms. KLEIN. We have started the NEPA process for any potential lease sales that might take place in the 5-year plan, including that first one in 2025.

I think we have also indicated our keen interest, in order to meet the Administration's offshore wind goals, that we wish to hold offshore wind lease sales.

Mr. STAUBER. Director Klein, thank you for your response. You can't commit to that. I really hope this Administration commits to a lease sale in 2025. But based on its track record, I remain incredibly skeptical.

Mr. Moses, can you please provide some background on the importance of the Cook Inlet for Alaskan and American energy security?

Mr. MOSES. As I indicated a little earlier in my testimony, the Cook Inlet area supplies the natural gas to the Rail Boat Region of Alaska, where the great majority of our residents live. Nearly half of our residents are in Anchorage alone, and that goes up to Fairbanks, through Wasilla, the Mat-Su, and other areas. And that supply is dwindling, and there is no firm estimate of exactly when that might be gone. But that is critical to cheap energy prices for Alaskans.

Being from Fairbanks originally, the cost of heating up there with oil is four to five times what it is——

Mr. STAUBER. So, Mr. Moses, real quick, is it your understanding that the Alaskans didn't want sales in the Cook Inlet?

Mr. MOSES. No, we——

Mr. STAUBER. OK, I have 5 seconds left. Do you believe the Administration was actually listening to Alaskans when it sought public comment from them?

Mr. MOSES. We do not. As I stated earlier, I——

Mr. STAUBER. Thank you very much. Because I am keeping myself on time, too.

Representative Ocasio-Cortez, you are up for 5 minutes.

Ms. OCASIO-CORTEZ. Thank you so much, Mr. Chair.

Ms. Biven, in your testimony you highlight that oil and gas production on the Outer Continental Shelf has doubled in the last decade. Yet, in Louisiana direct employment in oil and gas extraction has fallen by 27 percent. Correct?

Ms. BIVEN. Yes.

Ms. OCASIO-CORTEZ. And you also write that jobs for drilling oil and gas wells have plummeted by 62 percent between 2008 and 2019. Correct?

Ms. BIVEN. Yes, that is from an LMOGA report.

Ms. OCASIO-CORTEZ. That is staggering. When we are talking about just job creation in general, the job development of this industry has been plummeting.

We have heard witnesses tout the job benefits of offshore oil and gas, but it is undeniable that the workforce is already in transition. Ms. Biven, you highlight several key opportunities, though, for the Federal Government to support this workforce and spur economic activity. Could you outline what some of those opportunities are?

Ms. BIVEN. Absolutely. I want to provide a little context on why those jobs are declining. The industry is just getting better at producing more oil and gas. They are hitting deeper plays, and they just require less service companies and less workers. So, that is why there has been a bipartisan, enthusiastic support for offshore wind in Louisiana.

But decommissioning of retired infrastructure no longer in use provides a huge opportunity for workforce, specifically those 18,000 miles of pipelines that are decommissioned in place. They are serving no commercial purpose, they are just sitting on the sea floor. And those operators agreed with the Federal Government to remove them, and that provides an opportunity for workers today. The Secretary of the Interior can order those companies today to remove them, and that will put boats that are docked to work, that will put workers to work.

And then, of course, there are idled oil and gas wells, there are a lot of opportunities.

Ms. OCASIO-CORTEZ. So, we can start the process of spurring an enormous amount of job creation just by enforcing and demanding the cleanup of these 18,000 miles of pipeline, correct?

Ms. BIVEN. Absolutely.

Ms. OCASIO-CORTEZ. And these decommissioning and coastal restoration jobs can help bridge the gap as we stand up the offshore wind industry in the Gulf, which offshore oil and gas workers are particularly well equipped to take up.

Can you expand on how the Federal Government can support a transition for these oil and gas workers to ensure that good, dignified, family-sustaining jobs and clean energy like offshore wind can continue?

Ms. BIVEN. For sure. And indeed, it is a pre-condition for a lot of the work that we want to do. Those pipelines, those unplugged oil and gas wells, they are in the way of bio areas for coastal restoration projects. If we want big dredge boats out there dredging for sand to rebuild Louisiana's coast, we need to remove that infrastructure.

But a sustained commitment to diversification and decarbonization of our economy is necessary for a just transition. And one idea we have proposed is the creation, for instance, of a new Federal Administration, the abandoned well administration, because we know that there are thousands of unplugged oil and gas wells both onshore and offshore. And what we are seeing is that, even though we are providing an ample amount of Federal funds, that states are still finding it difficult to have the equipment and people to do this work swiftly. And we propose the creation of a new administration to directly employ displaced oil and gas workers to actually have the infrastructure and to have field offices to do this work in perpetuity, because we know that the volume is huge, and the failure rate of plugged jobs will necessitate that.

Ms. OCASIO-CORTEZ. Thank you, Ms. Biven. I wanted to pivot a little bit into terms of wages and worker conditions. We have been seeing lately that, even as profits increased, average wages in the industry are declining. And what we are seeing, as well, is that half of some of these folks surveyed in a document I would like to submit to the record have lost their jobs at least once prior to 2020.

Ms. Biven, do you believe that there is sufficient government oversight on offshore worker safety?

Ms. BIVEN. No.

Ms. OCASIO-CORTEZ. And how do you believe we can change this?

Ms. BIVEN. We could craft actual uniform rules, instead of delegating to an industry trade group to create those rules and to the operator themselves.

It is very deferential to the operator, and workers don't have a union, they really have no one on their side if something unsafe is happening. So, uniform, predictable rules and a regulator that is empowered to enforce them, not just to suggest them, I think would go a very long way.

And this staggered leasing schedule provides us an opportunity to pause and really evaluate the program.

Ms. OCASIO-CORTEZ. Wonderful. Thank you so much for your insight.

I yield back to the Chair.

Mr. STAUBER. Representative Ocasio-Cortez, did you want to submit something for the record?

Ms. OCASIO-CORTEZ. Yes.

Mr. STAUBER. Without objection.

Ms. OCASIO-CORTEZ. Thank you.

[The information follows:]

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THE RESULTS OF THE AMERICAN OIL & GAS WORKER SURVEY

At the end of 2021 and beginning of 2022, we circulated a cross sectional survey via social media platforms and through word of mouth. In total, 1,649 workers completed the survey. While responses revealed shared themes, such as the desire for employment stability, workers who participated in the survey were not a monolith. Workers expressed unique and individual views specific to their career and life experiences, oftentimes revealing contradictions that all humans possess. No one is perfectly consistent and respondents to this survey are no different in that regard. One recurring theme, however, emerged. Workers expressed gratitude for the opportunity to say their piece to a larger audience. As one survey respondent said, "I wish people knew our stories."

Our survey included 38 questions aimed at oil and gas workers throughout the United States. In preparing the survey, we consulted with former American oil and gas workers that compelled us to include additional questions regarding workplace safety practices. We also cast a wider net inviting workers beyond upstream jobs (exploration and production) and included midstream (transportation and construction) and downstream (refinery and chemical) workers.

The survey aimed to understand workers' views in three key areas:

1. Job stability and satisfaction
2. Safety practices
3. Alternative employment/industries.

Of the 1,649 survey respondents, 629 workers identified as working in oil and gas exploration and production (upstream); 665 workers identified as working in oil and gas support activities (including transportation, shipping or pipelines); 218 workers identified as working refining and petrochemical; and 123 workers identified as "other."

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The full document is available for viewing at:

https://docs.house.gov/meetings/II/II06/20231018/116435/HHRG-118-II06-20231018-SD006.pdf

Mr. STAUBER. We are now going to recognize the Chairman of the Full Committee, Representative Westerman, for 5 minutes.

Mr. WESTERMAN. Thank you, Chairman Stauber, and thank you to the witnesses. I will try to be brief.

Director Klein, the Department issued the 2024–2029 Five-Year Plan. For the first time since 1996, there won't be a sale. There is no sale proposed in 2024. Why is that?

Ms. BIVEN. The proposed lease sale schedule that the Secretary included in the proposed program after she evaluated all the factors that she is required to under Section 18 of OCSLA determined that those sales best meet our nation's energy needs while balancing the range of factors she is required to consider.

Mr. WESTERMAN. So, an administrative failure. The Inflation Reduction Act requires the Secretary to hold an offshore oil and gas lease sale within a year, before offering a single offshore wind lease. That is not an interagency memo, that is not a directive from the White House. That is a law passed by the House, passed by the Senate, and signed by the President.

With only three offshore oil and gas lease sales scheduled to occur by 2029, what led the Administration to abandon the goal of deploying 30 gigawatts of offshore wind by 2030?

Ms. KLEIN. Thank you very much for that question. We have a robust list of projects in the queue right now and additional offshore wind lease sales scheduled for next year. We feel confident in meeting the target.

Mr. WESTERMAN. How are you going to follow the law and do that if you don't have a gas or oil lease by——

Ms. KLEIN. Thank you for that question. We have an oil and gas lease sale scheduled to take place on November 8, so we will have another year to hold offshore wind lease sales through——

Mr. WESTERMAN. November 8 of this year?

Ms. KLEIN. Of this year. And then we have a full year to hold additional offshore wind lease sales next year.

Mr. WESTERMAN. So, you are going to have a lease sale on November 8 and award a sale.

Ms. KLEIN. Lease Sale 261 in the Gulf of Mexico is scheduled for November 8, yes.

Mr. WESTERMAN. How will having only three more lease sales hurt the goal of 30 gigawatts of wind by 2030, or how would it help that?

Ms. KLEIN. Thank you. We have projects in the queue right now, a number of which are under environmental review. Our estimates show those projects alone will reach 27 gigawatts by close to 2030. We have additional projects that we expect to be proposed to us in the coming months, so we feel confident we are going to hit our 30 gigawatt offshore wind goal by 2030.

Mr. WESTERMAN. In Table 8 of your plan, it concluded that having five lease sales emits fewer carbon equivalent emissions than no lease sales because we are substituting dirtier, foreign-produced energy sources and not having to transport them halfway around the world. It then concludes that having 10 lease sales emits fewer carbon emissions than having none.

It is also better for national security, better for jobs, and better for the economy. So, why are we not having 10 sales or 5 sales if you have a goal of reducing global emissions?

Ms. KLEIN. Thank you for that question. I think the analysis shows that when you consider the full life cycle, greenhouse gas emissions from the no-sale option versus other potential scenarios we have outlined in the proposed plan, that the emissions scenarios look very similar and don't fully account for the Administration's goals of meeting net-zero pathways by 2050.

So, as I mentioned, the Secretary determined that the three lease sales that we have scheduled in the proposed final program best meet our energy needs, fully consider the whole range of factors under OCSLA, and will help us meet our climate goals.

Mr. WESTERMAN. And I believe, when you cut through all the administrative jargon that the American public and certainly this Committee, at least part of this Committee, realizes that this Administration has an all-out attack on domestic energy and on domestic mining, which is illustrated in the policies that you are putting forth and which American consumers are paying the price for.

Mr. Moses, can you provide some background on what the Cook Inlet means to Alaska energy security, and how the Governor sees Alaskan natural resources and their role in American energy and national security?

Mr. MOSES. Thank you for the question.

Again, the Cook Inlet Region supplies the vast majority of natural gas to the majority of Alaskan citizens and is critical to our energy costs for our citizens and, to go a little further, for our mineral development. That is also another problem we are having with the Ambler Mining District, which under law it is supposed to be——

Mr. WESTERMAN. Mr. Moses, my time is expired. I am going to have to yield back.

Mr. STAUBER. Thank you very much, Mr. Chair.

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

Ms. KAMLAGER-DOVE. Thank you, Mr. Chair, and thank you to the witnesses for being here today when there is nothing else going on.

Director Klein, a few weeks ago, the Subcommittee held a hearing on a bill that would force BOEM to hold four offshore oil and gas lease sales over 2 years with no environmental review. Can you briefly tell us why it is essential that BOEM conduct analysis specific to each lease sale?

Ms. KLEIN. Thank you for that question. We conduct environmental review at each stage in the leasing process, so we are in the midst of finishing up the environmental review for the program itself.

And then, for the leases that are scheduled in the Five-Year Plan, we then conduct an environmental review, which, as I mentioned, we started last month in order to do the more site-specific analysis of where those lease sales will occur, and ensure that we are fully evaluating the potential impacts of the sales themselves and any potential mitigations or issues that we should take into account as we move closer to the lease sale stage.

Ms. KAMLAGER-DOVE. It sounds important to me, in terms of gathering comprehensive data and information preceding the sales. Thank you for that.

Ms. Biven, in your testimony you cite some distressing statistics about Louisiana's offshore oil and gas industry. I will read a couple out loud so we can be on the same page, if you don't mind.

Louisiana is a top-three natural-gas-producing state, yet first in the nation for poverty. Louisiana is home to one-fifth of the nation's refining capacity, yet 47th for median household income. Louisiana's ports handled 35 percent of the nation's total gas exports in 2022, yet has the fifth highest infant mortality rate and second highest maternal death rate. There are 29 petrochemical plants and 12 LNG export facilities, yet homeowners insurance is becoming so hard to come by that families are sliding into poverty.

Ms. Biven, do you believe that most Louisianans are benefiting from the offshore oil and gas and petrochemical industries?

Ms. BIVEN. No, ma'am, I do not.

Ms. KAMLAGER-DOVE. Who is benefiting instead?

Ms. BIVEN. Shareholders, people at the top. People who don't live in Louisiana.

Ms. KAMLAGER-DOVE. Thank you for that. I see that this is a pattern repeated nationwide. What I have been reading, and I may be confused, but what I have been reading is that the United States is producing more oil than ever before, that in fact it is the highest in the world, and we are on track to set a new record this year. Also, oil prices increasingly have more to do with global market drives than on our U.S. production.

So, Ms. Biven, can you explain or expand on the dynamics between American production and exports of oil and natural gas, and how those dynamics affect American consumers?

Ms. BIVEN. Absolutely. What we are seeing is that we are pivoting from a posture of energy security for Americans to one of export, and it is being framed as we are being constrained, and that is what is causing the increase in prices. But the volatility is completely due to global financial trading.

Some oil and gas majors make more from their trading floors than the actual sale of the commercial products, and that is putting American citizens at a very distressing place. Even though we are the largest producer of oil and gas, even though we have all of these resources, regular Americans don't see those benefits.

I would love a sovereign wealth fund for our country, would love a greater ownership of those resources. I often think, what would it be like if we were to be like Norway, if we had a sovereign wealth fund, if we had a state-owned oil and gas company like Equinor, where each citizen has $250,000 per citizen, and you have, I think it is $2 trillion in that fund. People don't realize that the second source of highest revenue for that fund comes from the Gulf of Mexico. So, we have no problem with a public benefit for these resources, just not our public.

Ms. KAMLAGER-DOVE. Thank you for that, and I am so glad you brought up Norway. I was there some years ago and we got into that. And I thought that was an incredibly resilient sort of posture for them to take.

Mr. Moses, I am not going to ask you, but I am dying to ask if you can see Russia from your house. But I am going to, in fact, have to yield back my time to the Chair.

Mr. STAUBER. Thank you very much. Next up, Representative Graves for 5 minutes.

Mr. GRAVES. Thank you, Mr. Chairman.

Witnesses, I want to thank you for being here today. It is good to see a few of you again, and great to meet a few of you for the first time.

First of all, I want to ask Mr. Faucheux. There was talk about Louisianans not benefiting from energy production in terms of jobs and economic activity. As I recall, I think one in every seven jobs in the state of Louisiana is tied back to the energy industry. Is there a benefit to our economy, to the state's economy?

Mr. FAUCHEUX. Congressman, I would point out that more than a quarter of the state's economy is based in the energy industry and the oil and gas industry.

And you are correct, you don't have to go far in any Louisiana community to find multiple generations of people who have built families, careers, and livelihoods on the oil and gas industry. Louisianans want this industry. They have supported it and look forward to continuing to be able to see future generations of their families participate in it.

Mr. GRAVES. Thank you.

Mr. Chairman, I continue to just be so confused by statements that I hear out of members of this Committee and then facts. Let's go through a few things.

I have heard over and over again about how greenhouse gases are a priority in terms of reducing greenhouse gases. When I look at BOEM's own assessment, and I quote, "In a net-zero world, as demand for fossil fuels declines, domestic oil and gas production from lower carbon intensity fields such as those in the OCS"—because those are the lowest carbon-intense barrels—"could play a more important role in meeting that demand than they do currently. OCS fields could also help ensure U.S. energy security by reducing import reliance from foreign producers, most of which tend to also be higher carbon emitters than the U.S." Said another way, we need to be producing more in the OCS, not less.

Going back to the Carter administration, they put out for lease 100 times more acres than have been done under this Administration. You are talking about 3 lease sales, they did 36 lease sales. And again, for higher acreage, larger acreage as well.

So, all of this stuff, and we keep hearing all of these policies and, oh, this is all about greenhouse gases, when the reality is with Trump, greenhouse gases went down, and with Biden they went up. This year, they are probably going to go up again. So, we are failing on emissions. Let's be very clear. We are failing on the environment. Your own analysis says that actually using more OCS production would be better for the environment.

Now let's take it a step further, what is happening with the individual family members. When President Biden took office the lowest gasoline prices in Louisiana were $1.74 a gallon. The national average today, I believe, is $3.57. In Louisiana, the lowest price today is probably around $2.96, not $1.74, but $2.96.

According to the Census Bureau, and I have seen all sorts of statistics, but according to the Census Bureau, one in every four American families have been unable to make ends meet. Since Biden has taken office, when you take things like inflation, higher interest rates, higher grocery costs, higher utility and gasoline costs, $700 per family per month. These are the people that we are all here to represent.

Let me say it again. As a result of this Administration's policies, $700 per family per month is the higher cost that they are paying. We have the ability to bring prices down, just like our Chairman noted in the opening statement. All of this is a result of squeezing supply. Demand is not changing. Prices are skyrocketing as a result.

And then let's take a look at who is benefiting. We have heard a lot of people talking about Iran and this $6 billion negotiation, the $6 billion that we freed up in funds, giving to Iran when Iran is out there funding terrorists like Hamas. Here is reality. What is happening when we don't produce energy? Iran ends up filling the void.

You know the $6 billion that I am aggravated about? Let me tell you what I am really pissed off about. I am pissed off about the fact that this translates to $60 billion in additional funds that Iran has profited from as a result of the ignorant energy policies of this Administration, $60 billion, 10 times the $6 billion that the Administration released for Iran, giving it to Iran. What are they doing with Hezbollah, Islamic jihad, Houthis, and Hamas with $60 billion in additional profits?

We failed on affordability. We are empowering terrorists, and we are failing on the environment. This is absolutely incredible. These policies make no sense based upon math and science. None, and based upon your own analysis.

Mr. Chairman, the Ranking Member noted wildfires in Louisiana. She is exactly right. Unfortunately, she left out the fact that they were actually caused by arson. I would like to submit for the record an article——

Mr. STAUBER. Without objection.

[The information follows:]

Largest wildfire in Louisiana was caused by arson, state officials say

ABC News

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The largest wildfire in Louisiana history that has destroyed tens of thousands of acres was caused by arson, state officials announced.

The Louisiana State Department of Agriculture and Forestry (LDAF) said it concluded its investigation into the wildfires in Beauregard Parish and found that the Tiger Island Fire was deliberately caused.

Officials are offering a $2,000 reward to anyone who has information that leads to the arrest and conviction of the person or persons who caused the fire, the LDAF said in a press release Saturday.

The Tiger Island Fire began on Aug. 22 in a wooded pine plantation and has destroyed more than 31,000 acres of land and damaged 20 homes and structures, LDAF officials said.

The fire is 50% contained as of Sunday, according to the National Wildfire Coordinating Group.

Louisiana State Department of Agriculture and Forestry officials couldn't provide specific details about the cause of the wildfire, as it's an active investigation, but told ABC News that investigators found the fire started in a secluded area on forested property.

The fire season in Louisiana this year has been unparalleled due to extreme temperatures and dry conditions, according to The Associated Press.

This photo provided by Louisiana Department of Agriculture and Forestry shows scorched woodlands near Merryville, La., at the Tiger Island Fire, Aug., 30, 2023.

Alison Coons/AP, FILE

There were about 600 wildfires in the state in August, with officials anticipating that number to grow, according to The AP.

"Louisiana is still facing unpredictable and dangerous conditions as we continue to fight wildfires across the state. This is a long-term event and until we get a significant amount of rain, we must remain vigilant," Gov. John Bel Edwards said in a statement Thursday. "Our state is still a tinderbox and there are still fires popping up all over. Do not burn anything. We must do all we can to prevent the further spread of wildfires and ease the stress on our responders."

About 60,000 acres of land have burned in Louisiana this year, according to The AP.

Louisiana declared a statewide burn ban Thursday to include any open flame outdoors. The State Fire Marshal's Office said people should not "burn anything" until further notice, according to the NWCG.

"Citations and arrests are happening across this state in partnership with local and state law enforcement agencies," the NWCG said.

The Lions Camp Fire and wildfires in Rapides Parish were also a result of arson, according to the LDAF.

Officials have asked the public for help identifying a suspect or suspects who may have caused those blazes.

Louisiana state law defines simple arson as "the intentional damaging by any explosive substance or the setting fire to any property of another, without the consent of the owner," and "the starting of a fire or causing an explosion while the offender is engaged in the perpetration or attempted perpetration of another felony offense even though the offender does not have the intent to start a fire or cause an explosion."

Mr. GRAVES. And secondly, Mr. Chairman, just for the record, the Bonnet Carre Spillway, which is our pressure relief valve for the Mississippi River when river levels are too high, was normally opened every 10 years. It was opened in 2016. It was opened in 2018. For the first time in history, it was opened twice in 2019, and it was opened in 2020. Therefore, this whole drought thing on the Mississippi River, we had record high water. It normally opens every 10 years, it opened five times in 6 years, the highest in history, showing that water levels were actually excessive in recent years, as well.

I yield back.

Mr. STAUBER. Thank you.

I see no colleague on the other side of the aisle is here, so Representative Tiffany, you are up for 5 minutes.

Mr. TIFFANY. Thank you, Mr. Chairman.

Mr. Moses, we had testimony from an Alaskan just a couple of months ago, a Native Alaskan, I believe it was, who said life expectancy since 1980 has went up 13 years for the Native peoples that he represents up in Alaska. Does that surprise you?

Mr. MOSES. Not at all. I think not only for oil and gas development, mining development, you will see the economic improvement in those communities lifts all standards of life. So, it is not surprising at all.

Mr. TIFFANY. And is it your understanding it is the improvement of their lifestyle that has caused this 13-year increase in life expectancy?

Mr. MOSES. Absolutely.

Mr. TIFFANY. I mean, think about that, Mr. Chairman. I was stunned. I have to say I was stunned when I heard that data, this is a Native Alaskan, that their life expectancy went up 13 years since 1980. It is incredible. Producing energy here in America can help people live a longer life, live a happier life.

Mr. Seibel, do you think pipelines are important?

Mr. SEIBEL. Absolutely.

Mr. TIFFANY. Do you think refineries are important?

Mr. SEIBEL. Absolutely.

Mr. TIFFANY. Does the Southern Ute Economic Fund, do they rely on those refineries, pipelines, and other infrastructure to be able to get the product that you are producing to market?

Mr. SEIBEL. Absolutely, it does.

Mr. TIFFANY. What do you say to other tribes that are opposed to any production or transport of hydrocarbons, of energy?

Mr. SEIBEL. Any other tribe? As tribes we are really coming together for that self-determination, the right to govern ourselves. So, we are all on board, whatever God has blessed us with under our respective reservations, we encourage one another to develop your resources on your reservation. So, us Indians are getting together, and we are supporting one another. And when we do that, powerful things happen. And we are excited for that.

Mr. TIFFANY. Thank you for that.

Ms. Klein, were you involved with the voluntary settlement agreement in regards to the Rice's whale back in July 2023?

Ms. KLEIN. Thank you for the question. BOEM has taken some actions in order to try to protect the Rice's whale, which is a critically endangered species in the Gulf of Mexico, including releasing a notice to lessees to undertake some recommended measures to try to protect the whale, including slowing vessel traffic speeds, not transiting through a certain area.

Mr. TIFFANY. Thank you. I have a follow-up. They are saying that they want to protect the Rice's whale. So, have you done some study on what is happening to whales on the East Coast, where some people are concerned, there is not solid proof yet, but there is great concern that there are a lot of whales that are washing up on the shores on our East Coast, and that might be because of the wind facilities that are being put up.

Let me pose a question. Are you studying that?

Ms. KLEIN. Thank you for the question. BOEM shares concerns about the unusual mortality event, and we——

Mr. TIFFANY. Are you studying that?

Ms. KLEIN. We have an environmental studies program and a center for marine acoustics that is——

Mr. TIFFANY. Are you studying that specifically on the East Coast?

Ms. KLEIN [continuing]. That is looking at the potential impacts of offshore wind on whales and marine mammals.

Mr. TIFFANY. OK. Thank you.

Ms. Biven, I see you live in Vienna. Have you followed the increased use of coal in Germany?

Ms. BIVEN. Yes, because they retired their nuclear fleet.

Mr. TIFFANY. Do you support nuclear?

Ms. BIVEN. Yes.

Mr. TIFFANY. OK. And have you done an analysis of the life cycle of renewables, of what we call renewables?

Ms. BIVEN. I have not personally carried out a life cycle of renewables. I am more familiar with oil and gas.

Mr. TIFFANY. We are retiring Ag land, for example, in my home state of Wisconsin. We are retiring Ag land and are converting it to wind and solar. Do you think that is a good public policy choice?

Ms. BIVEN. I think they can co-exist in certain areas. It just depends on what is the best use for the area.

Mr. TIFFANY. Do you think it is good to retire productive agricultural land?

Ms. BIVEN. Perhaps for the benefit of the soil. I don't know what the background for those decisions would be. It depends on a case by case.

Mr. TIFFANY. I am just going to close with this, Mr. Chairman. I thought the Ranking Member said it very well. She said we are seeking managed decline, and managed decline is exactly what is happening.

My colleague Mr. Graves cited it very well. When you have Iran that is producing more oil as a result of us not producing it and turning it into bombs, we have to consider foreign policy also with issues like this. And they are turning it into weaponry that is destabilizing the Middle East as we speak, funding Hamas, funding Hezbollah. We see what is happening as a result of managed decline right here in the United States of America.

We are declining on the world stage. Our economic well-being is in decline, and it is directly tied to having affordable energy. When we have low energy prices in America, we have prosperity. When we have high energy prices, diesel fuel moves the world. When we have high energy prices, we have economic decline in America. And that is exactly what is happening on this Administration's watch.

I will yield back, Mr. Chairman.

Mr. STAUBER. Thank you, Representative Tiffany.

Before I have closing comments, Representative Ocasio-Cortez would like to put something in the record.

Ms. OCASIO-CORTEZ. I would seek unanimous consent to submit to the record a reporting from Vox around the Louisiana wildfires.

Mr. STAUBER. Without objection.

Ms. OCASIO-CORTEZ. Thank you.

[The information follows:]

How Louisiana—one of the nation's wettest states—caught on fire

Even traditionally wet states are experiencing unprecedented wildfires.

Vox.com, August 30, 2023 by Li Zhouli

https://www.vox.com/climate/2023/8/30/23852363/louisiana-wildfires

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An unprecedented series of wildfires is burning in Louisiana, making it the latest state to navigate a major natural disaster in recent months. Wildfires—though they take place in the state annually—aren't typically as frequent or as big as they have been this year.

Much like other places, Louisiana is experiencing record-breaking heat and dryness, which have made it easier for wildfires to proliferate. Both issues are likely being made worse by climate change, which contributes to higher temperatures and drier vegetation. And what we're witnessing this year is likely just the start: According to LSU researchers, wildfire risk in the state is expected to increase 25 percent by 2050, with the magnitude of property damage poised to grow by more than 100 percent.

"Our state has never been this hot and dry and we have never had this many fires," Louisiana Gov. John Bel Edwards wrote in a recent social media post. And as Mike Strain, the state's commissioner for agriculture and forestry, told the Washington Post, "This is probably the driest conditions, the most drought-prone conditions we've had in a generation."

Currently, the largest fire in the state is the Tiger Island Fire, which covers more than 30,000 acres in southwestern Louisiana. Additionally, there are smaller fires across the state, including ones that have claimed two lives. Collectively, these fires have covered roughly 60,000 acres total, an area larger than the city of Washington, DC. They've led, too, to the declaration of a state of emergency in at least 17 Louisiana parishes and the evacuation of at least one town near the Texas border where the Tiger Island Fire is located.

Because the state has seen historically high temperatures and a massive drought, it's been easier for fires to ignite from phenomena like lightning strikes that otherwise might not trigger blazes. In Louisiana, fallen trees and brush from recent hurricanes, as well as large swathes of dry pine forests, have helped provide kindling. Human activity like improperly discarded cigarettes or outdoor cooking may have also played a role in some fires, Strain told NPR. The state currently has a burn ban in place to try to cut down on some of these potential causes.

Louisiana's unusual fire season comes as other places in the US and Canada have experienced similar conditions that have contributed to an unprecedented North American fire season. Earlier this month, the Hawaiian island of Maui also experienced a devastating wildfire buoyed by dry conditions and high winds. Canada, too, has seen an especially severe fire season due to how hot and dry it's been in different parts of the country.

The Louisiana wildfire adds to an unusual wildfire season

Extreme heat has been a major driver behind how severe this wildfire season has been for certain states in the US and provinces in Canada.

Historically, Louisiana, which is known for being a wetter state, has seen an average of 771 fires per year that burn an average of 8,217 acres every year, according to the Washington Post. This year, it's seen 600 wildfires in just one month, with the acreage burned surpassing tens of thousands of acres.

At the same time, the state has also seen some of the hottest temperatures it's ever observed, with some places reaching upward of 110 degrees Fahrenheit. In New Orleans, for example, temperatures usually hover around a high of 91 degrees Fahrenheit in August, but the city hit a record 102 degrees Fahrenheit this year. Some of this is due to a unique high-pressure heat dome that's trapped heat across many states in the south.

The impact of the heat has been compounded by the drought the state is in, which has meant significantly less rainfall than past years. Per the Louisiana Radio Network, the state has seen 20 inches less rain than it typically would at this time of year. Officials in Louisiana have emphasized that the state likely needs much more rain to combat the wildfires, which could continue through September, when it's expected to stay dry. "This is not done. We expect a dry September. So we got to be prepared for this and all work together until the rain comes," Strain told reporters at a Tuesday press conference.

The Louisiana National Guard as well as resources from neighboring states, including over 1,000 emergency responders in the South, have been deployed to fight the fires. As of earlier this week, the largest Tiger Island Fire has been 50 percent contained, meaning firefighters feel like there's a strong enough boundary established to prevent that section of fire from spreading further. The focus on containment in the case of the Tiger Island Fire has been driven by the homes and people who could be harmed by it: It has destroyed 20 structures in Merryville, Louisiana, and could threaten other rural communities.

The challenges Louisiana faces with these fires are comparable to those in other areas, like Canada, which has seen similar dynamics fuel one of its worst fire seasons in years. In 2023, Canada has seen more than 37 million acres burned, which is over double the area that's been affected in past years. More than 1,000 fires are still burning in Canada, with wildfire smoke drifting southward and affecting air quality in dozens of US cities.

According to a recent study from the World Weather Attribution, climate change has helped bolster the conditions needed for the fires in Canada to take place. Louisiana officials, including state climatologist Barry Keim, have pointed to climate change as a factor in their state's fires as well.

"Hot, dry and gusty conditions like those that fed this year's wildfires in eastern Canada are now at least twice as likely to occur there as they would be in a world that humans hadn't warmed by burning fossil fuels," writes Raymond Zhang in a New York Times story on the WWA study.

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

The members of the Subcommittee may have some additional questions for the witnesses, and we will ask you to respond to these in writing. Under Committee Rule 3, members of the Committee must submit questions to the Committee Clerk by 5 p.m. on Monday, October 23. 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 11:16 a.m., the Subcommittee was adjourned.]

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