February 27, 2023

Chairman Pete Stauber House Natural Resources Subcommittee on Energy and Mineral Resources U.S. House of Representatives Washington, DC 20515 Ranking Member Alexandria Ocasio-Cortez House Natural Resources Subcommittee on Energy and Mineral Resources U.S. House of Representatives Washington, DC 20515

Re: H.R. ____, the Transparency and Production of American Energy Act of 2023 (the "TAP American Energy Act")

Dear Chairman Stauber, Ranking Member Ocasio-Cortez, and members of the House Natural Resources Energy and Mineral Resources Subcommittee,

We write on behalf of the undersigned organizations and our millions of members to express our strong opposition to the Transparency and Production of American Energy Act of 2023 (the "TAP American Energy Act"), which is slated to be heard during a legislative hearing at the House Natural Resources Energy and Mineral Resources Subcommittee on Tuesday, February 28. Fossil fuel production on federal public lands and in offshore waters currently accounts for roughly 25% of our nation's greenhouse gas emissions. The Department of the Interior can and should make public lands and waters part of the climate solution by managing them for higher uses, like conservation, recreation, and for responsible renewable energy development. The TAP American Energy Act would make this impossible. It is, for all intents and purposes, a massive, point-by-point giveaway to the oil and gas industry—an industry that consistently posts record profits while gouging Americans at the pump, jacking up home heating bills, shortchanging communities, and polluting the environment.

To start, it mandates leasing onshore and offshore, eviscerating long-standing precedent that defers leasing decisions to the President and the Secretary of the Interior; rushes oil and gas drilling permits through the environmental review process with zero regard for community input, effects on endangered species, or emissions consequences; exempts as many permitting decisions from the federal review process as possible; severely restricts the President's authority to protect specific lands with natural, cultural, or scientific significance; and repeals the hard-fought common-sense reforms to the outdated oil and gas leasing program that were enacted in the Inflation Reduction Act to ensure that industry pays a fairer share when reaping—and profiting from —shared, public resources.

If passed, the TAP American Energy Act would lock in decades' worth of fossil fuel infrastructure, lock away millions more acres of public lands, split estates, and offshore waters, and handcuff the Biden Administration's ability to address the climate crisis through thoughtful management of our shared public resources. Like many recent proposals from the present House majority, it attempts to further prop up the Federal fossil fuel program despite rising (and record) production, and industry's existing access to tens of millions of acres of our shared public spaces and thousands of approved and unused permits to drill on Federal lands. This bill is nothing more than a full-scale attack on communities, bedrock environmental laws, and our nation's climate commitments. We urge all members of the House Natural Resources Energy and Mineral Resources Subcommittee to oppose this legislation.

Leasing

Under the Mineral Leasing Act and Outer Continental Shelf Lands Act, the President and the Secretary of the Interior have broad authority to lease (or not lease) public lands and offshore waters for oil and gas development. Ultimately, the decision to offer public lands and offshore waters for lease should be grounded in a full analysis of the costs and benefits of resource extraction on communities, endangered species, cultural resources, and greenhouse gas emissions. In addition to mandating leasing, this bill would essentially eliminate all environmental review for seismic blasting. It goes even further by blatantly carving out review processes under the Marine Mammal Protection Act, Endangered Species Act, and OCSLA. This would have catastrophic effects for the Rice's whale, one of the most endangered species on the planet, as well as impacts to other species protected by these review processes. **This bill blithely casts aside any opportunity for such analysis, mandating that the Federal government offer leases at least four times per year onshore and at least two times per year offshore regardless of the consequences.** Furthermore, the bill prohibits courts from vacating, limiting, delaying, or enjoining faulty lease sales except for in narrow circumstances, putting access to justice even further out of reach for communities directly impacted by extractive industries.

Additionally, harmful compromise language in the Inflation Reduction Act already requires oil and gas lease sales to occur as a prerequisite for approval of further wind and solar rights-of-way on Federal lands and waters. And, the Biden Administration *is* leasing: in 2022, over 125,000 acres were offered onshore—with the oil and gas industry choosing to lease only 40% of these lands. In March 2023, nearly 80 million acres are expected to be offered for oil and gas leasing in the Gulf of Mexico, and onshore, as many as 490,000 acres are expected to be offered.

To put this in stark relief: the oil and gas industry is sitting on about 23.8 million acres of public lands that are already under lease—48% of which, or 11.4 million acres, are not in use. There is no reason for this giveaway.

Permitting

Every permit to drill on Federal land, in offshore waters, or on state or private land where the Federal mineral estate is accessed, must navigate the Federal environmental review process. This affords communities the opportunity to weigh in on—and be consulted about—prospective drilling, and ensures that drilling operations comply with safeguards that protect the environment, species habitats, cultural resources, and other important considerations.

This bill fast tracks oil and gas permits currently under review or in litigation and exempts untold quantities from the federal review process—hastening and even eliminating the opportunity for public input. Specifically, the bill requires that virtually all pending drilling permits be approved within 30 days of enactment. In 2019, at the height of the Trump Administration, the average turnaround for drilling

permits was 63 days¹, which illustrates that the blanket approval timeline mandated by this bill is outlandish even in the most industry-friendly environment.

For oil and gas leasing and permitting, the bill also erodes the strength of the National Environmental Policy Act by limiting the geographic scope of analyses and removing requirements to consider the downstream effects of oil and gas consumption.

Additionally, the bill would put states in charge of the review process when surface rights belong to a state or private entity—even when significant portions of the subsurface oil or gas belong to the Federal mineral estate. As many as 57 million acres fall into this category. This ignores the key role that the Bureau of Land Management plays in ensuring that oil and gas are accessed safely and responsibly, and exempts these operations from inspection and enforcement. Moreover, many states—especially those that produce oil and gas—have far more lax approval and public input processes than the Federal government.

The bill also increases the term of permits to drill from two to four years, further increasing the amount of time that public lands are locked up for oil and gas companies rather than being managed for their conservation and climate values. As of January 31, 2023, industry has access to 6,653 approved-but-unused drilling permits onshore. Since FY 2017, operators have drilled roughly 1,750 wells per year, **meaning that the industry is currently sitting on nearly four years' worth of permits**.

Fiscal Giveaway

For over a century, the Federal government has prioritized the development of fossil fuels—over habitat conservation and recreation—through generous access to public lands, tax breaks and subsidies. Inequities in the Federal onshore oil and gas program exist at every stage, from the leasing of land parcels, to exploration, to production. These inequities create an imbalance where communities are shortchanged at the expense of industry profits, generating pollution, fueling climate change, disrupting wildlife and damaging public lands that were set aside to benefit all people.

The Inflation Reduction Act included some important and long-overdue fixes that begin to address these inequities. It raised royalty rates and modernized fiscal terms—such as minimum per-acre bid amounts, fees on non-producing acreage under lease, and expressions of interest fees—and ended the practice of noncompetitive leasing, where an acre of land that receives zero bids in a competitive auction can be sold for bargain-basement prices.

This bill repeals these hard-fought reforms, instead swapping in more exemptions that allow industry to pay no royalties at all. Making oil and gas development cheaper on federal public lands and offshore waters than anywhere else perversely incentivizes leasing, drilling, and production—all while shortchanging communities, ceding more access to our shared public spaces, and locking in polluting infrastructure for decades.

For these reasons, we strongly oppose this bill and we urge you to do the same.

¹ https://itvmo.gsa.gov/exec-order-climate-crisis/

Sincerely,

Accountable.US **BVDA Bluewater Valley Downstream Alliance** Californians for Western Wilderness Center for Biological Diversity Change the Chamber Citizens to Protect Smith Valley, NV **Conservation Lands Foundation** Conservation Northwest Cook Inletkeeper Earth Action, Inc. Earthjustice Earthworks **Endangered Species Coalition Environmental Protection Information Center** Friends of the Earth Friends of the Sonoran Desert Grand Staircase Escalante Partners **Hispanic Federation** Information Network for Responsible Mining Interfaith Power & Light League of Conservation Voters Los Padres ForestWatch

Multicultural Alliance for a Safe Environment Natural Resources Defense Council New Mexico Climate Justice New Mexico Interfaith Power and Light Northeastern Minnesotans for Wilderness Nuestra Tierra Conservation Project Ocean Conservancy Ocean Conservation Research Oceana Progressive Leadership Alliance of Nevada Rachel Carson Council (RCC) Seven Circles Foundation Sierra Club Soda Mountain Wilderness Council Southern Environmental Law Center Southern Utah Wilderness Alliance Surfrider Foundation The Wilderness Society Western Environmental Law Center Western Organization of Resource Councils Wilderness Workshop Winter Wildlands Alliance