## Congress of the United States

Washington, DC 20515

March 9, 2022

The Honorable Deb Haaland Secretary Department of the Interior 1849 C Street NW Washington, DC 20240 The Honorable Amanda Lefton Director Bureau of Ocean Energy Management Department of the Interior 1849 C Street, NW Washington, D.C. 20240

Dear Secretary Haaland and Director Lefton:

We write today to inquire about the status of the 2022-2027 Bureau of Ocean Energy Management (BOEM) National Offshore Continental Shelf Oil and Gas Leasing Program and to express our disappointment that the Department of the Interior (DOI) chose not to appeal the court decision issued on January 27, 2022, which vacated Lease Sale 257. Offshore oil and gas production is vital to the economic and energy security of the United States and completing regular lease sales is essential to continued production of American energy. Given the events currently unfolding between Russia and Ukraine, it is even more imperative that this administration supports American energy production and restores us to the net energy exporter status first achieved in 2019.

The Outer Continental Shelf Lands Act (OCSLA) requires the Secretary of the Department of the Interior (DOI) to prepare and maintain a forward-looking, five-year program for scheduling, reviewing, and holding oil and gas lease sales on the Outer Continental Shelf (OCS).<sup>2</sup> This structure is the backbone of the offshore oil and gas program. On average, these leasing programs take two to three years to complete and require a lengthy regulatory process, including multiple stages for public comment, input, and consultation.<sup>3</sup> As you know, DOI has taken the position that the current five-year program is set to expire on June 30, 2022,<sup>4</sup> and progress on publishing the subsequent program is long overdue. We ask that DOI and BOEM make publishing a new five-year leasing program a top priority.

The only offshore lease sale held by this administration, Lease Sale 257, was developed under the 2017-2022 leasing plan finalized by the Obama administration.<sup>5</sup> While the Biden administration has asserted that it only moved forward with the lease sale after being forced by the court, your Department correctly and independently concluded that Lease Sale 257 "meets the purpose of and need for the proposed action, balances regional and national policy

<sup>&</sup>lt;sup>1</sup> Friends of the Earth v. Haaland., Civil Action No. 1:21-cv-2317 (D.D.C.).

<sup>&</sup>lt;sup>2</sup> 43 U.S. Code § 1344

<sup>&</sup>lt;sup>3</sup> U.S. Department of the Interior, Bureau of Ocean Energy Management, 2017-2022 OCS Oil and Gas Leasing Program, https://www.boem.gov/2017-2022-ocs-oil-and-gas-leasing-program.

<sup>&</sup>lt;sup>4</sup> Friends of the Earth v. Haaland., Civil Action No. 1:21-cv-2317 (D.D.C.).

<sup>&</sup>lt;sup>5</sup> 2017-2022 Outer Continental Shelf Oil and Gas leasing Proposed Final Program, November 2016, https://www.boem.gov/sites/default/files/oil-and-gas-energy-program/Leasing/Five-Year-Program/2017-2022/2017-2022-OCS-Oil-and-Gas-Leasing-PFP.pdf.

considerations, and includes appropriate measures to minimize potential environmental and socioeconomic impacts." DOI further determined that this lease sale "is subject to adequate environmental safeguards and is consistent with the maintenance of competition and the meeting of national energy needs."

After an extensive delay in offshore lease sales, Lease Sale 257 was held on November 17, 2021, only after a federal judge preliminarily enjoined DOI's pause on federal leasing via Executive Order 14008. Several environmental groups filed suit against the administration, arguing that BOEM's environmental analysis was insufficient. Specifically, the lawsuit claimed that BOEM had failed to adequately consider foreign consumption patterns when analyzing future emissions' impacts related to an U.S. offshore lease sale. The plaintiffs argued that producing more in the Gulf will increase global supply, drive down prices, and encourage increased consumption abroad. This is an admission of what we have known all along: there is a direct relationship between domestic oil and gas production and supplying consumers with affordable energy.

We were disappointed in the court's decision to affirm the environmental groups' biased, anti-consumer claim. In fact, the global marketplace has demonstrated that DOI's original analysis was correct. Specifically, U.S. oil production has decreased from nearly 12.5 million barrels per day to 11.8 million barrels per day, while global demand has increased substantially. U.S. imports of Russian crude oil and petroleum products rose to a record level in 2021. DOI's original conclusion that reduced federal production leads to substitution of production from other global sources is reality.

We were further disappointed to see the court's perplexing decision to vacate Lease Sale 257 altogether, rather than allowing the leasing process to move forward while DOI addresses the court's concerns. The court's remedy of vacating an offshore lease sale after confidential bids have already been unsealed and made public, but before leases have been issued, is unprecedented. We were surprised that DOI took no position on the appropriate remedy and has chosen not to appeal the district court's decision. In doing so, the Department failed to defend the integrity of the statutorily mandated confidential bidding process under OCSLA. This is especially concerning, given that past NEPA concerns have been addressed without a complete reversal of a sale. <sup>14</sup>

<sup>8</sup> U.S. Department of the Interior. Bureau of Ocean Energy Management, Lease Sale 257, https://www.boem.gov/Sale-257,

<sup>&</sup>lt;sup>6</sup> U.S. Department of the Interior. Bureau of Ocean Energy Management, Record of Decision for Gulf of Mexico Outer Continental Shelf Oil and Gas Lease Sale 257, August 31, 2021, https://www.boem.gov/sites/default/files/documents/oil-gas-energy/GOM-LS-257.pdf.

<sup>&</sup>lt;sup>7</sup> Id.

<sup>9</sup> State of Louisiana et al. VERSUS Joseph R. Biden, Jr. et al. Case no: 2:21-CV-00778. United States District Court Western District of Louisiana Lake Charles Division, filed June 15, 2021,

https://www.bloomberglaw.com/public/desktop/document/LouisianaetalvBidenetalDocketNo221cv00778WDLaMar242021CourtDocket/6?1623794815.

<sup>&</sup>lt;sup>10</sup> Friends of the Earth v. Haaland., Civil Action No. 1:21-cv-2317 (D.D.C.).

<sup>11</sup> U.S. Energy Information Administration. U.S. Liquid Fuels. https://www.eia.gov/outlooks/steo/report/us\_oil.php

<sup>&</sup>lt;sup>12</sup> U.S. Energy Information Administration. U.S. Imports from Russia of Crude Oil and Petroleum Products.

<sup>&</sup>lt;sup>13</sup> Bureau of Ocean Energy Management. OCS Oil and Natural Gas: Potential Lifecycle Greenhouse Gas Emissions and Social Cost of Carbon. November 2016.

<sup>&</sup>lt;sup>14</sup> Wildearth Guardians v. United States BLM, 870 F.3d 1222 (10th Cir. 2017); Rocky Mt. Wild v. Bernhardt, 506 F. Supp. 3d 1169 (D. Utah 2020).

OCS leasing contributes more money to the U.S. Treasury than any other program aside from federal income taxes, generating billions for state and local governments and creating tens of thousands of jobs across the United States. <sup>15</sup> Production from sales in the Gulf of Mexico accounts for about 15 percent of total U.S. crude oil production and 2 percent of total U.S. natural gas production, ensuring we can keep our homes warm and our lights on at time when prices are extremely high. <sup>16</sup> Global oil and natural gas demand is expected to exceed prepandemic levels this year, and yet domestic offshore and onshore oil and gas production declined in 2021, due in part to the administration's pause on federal oil and gas leases via Executive Order 14008.<sup>17</sup>

Publishing a new five-year plan would signal that the administration is committed to lowering energy costs, lessening our dependency on OPEC+ countries like Iran, Saudi Arabia, Russia, and others, and providing our allies with responsibly sourced oil and natural gas. We ask that the Department promptly schedule the remaining lease sales in the 2017-2022 plan and publish a new five-year plan as soon as possible.

In addition, please provide the following information no later than March 23, 2022:

- 1. Regarding the steps that BOEM has taken to develop a new five-year plan:
  - a. What steps remain before a plan is published?
  - b. How many lease sales are planned in the new National Outer Continental Shelf Oil and Gas Leasing Program?
  - c. What is the timeline associated with finalizing and publishing the plan?
- 2. Is BOEM continuing the process initiated by the publication of the Draft Proposed Program released on January 4, 2018, or does the agency plan to initiate an entirely new process and to release a new Draft Proposed Program this year?

Sincerely,

Bruce Westerman

Member of Congress

Dan Newhouse Member of Congress Cathy McMorris Rodgers Member of Congress

Steve Scalise Member of Congress

<sup>&</sup>lt;sup>15</sup> U.S. Department of the Interior, Natural Resources Revenue Data, https://revenuedata.doi.gov/.

<sup>&</sup>lt;sup>16</sup> U.S. Energy Information Administration, Oil and Petroleum Products Explained, Offshore Oil and Gas, updated December 2021, https://www.eia.gov/energyexplained/oil-and-petroleum-products/offshore-oil-and-gas-in-depth.php.

<sup>&</sup>lt;sup>17</sup> International Energy Agency, Oil Market Report, January 2022, https://www.iea.org/reports/oil-market-report-january-2022.

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ce: The Honorable Raúl Grijalva, Chair, House Committee on Natural Resources

Ms. Laura Daniel-Davis, Principal Deputy Assistant Secretary, Land and Minerals Management, U.S. Department of the Interior