

June 5, 2022

***Via Email***

*The White House  
1600 Pennsylvania Avenue, N.W.  
Washington DC 20500*

Dear Mr. President:

As highlighted by the world's reaction to Russia's unprovoked invasion of Ukraine, leadership on energy issues is important to supporting our allies and meeting the needs of American families and businesses. The undersigned groups represent a diverse cross-section of industries, from energy producers and manufacturers to retailers and small businesses that stand ready to collaborate with your administration on policies that support U.S. energy security and increase supply through the domestic production of oil and natural gas. A critical and urgent place to start is on implementation of a new 5-year offshore leasing program ("5-year Program"), which under the *Outer Continental Shelf Lands Act (OCSLA)*, must be finalized by July 1, 2022, when the current program is scheduled to expire.

The world needs energy from many sources, including oil and natural gas. According to the U.S. Energy Information Administration oil and natural gas is expected to represent nearly half of the world's energy use in 2040. U.S. leadership on energy is critical and we are positioned to help meet the growing demand efficiently and responsibly from domestic and lower emissions offshore operations. The Gulf of Mexico currently represents over 15 percent of U.S. oil and natural gas production that is also some of the lowest-carbon intensive production in the world with a small environmental footprint. The Gulf of Mexico oil and natural gas industry plays a significant role in the Gulf Coast's regional, state, and local economies. For the U.S. to continue to be an energy leader into the future, smart and effective energy policies are needed today.

However, your administration's policies have often hindered domestic producers' ability to deliver on this growing demand. Oil and natural gas leasing on Federal lands and waters has essentially stopped, despite court orders, and while the Department of the Interior ("DOI") has taken steps to complete and implement the next 5-year Program, there will be an unprecedented gap between the current and next 5-year Program. While recognizing that much work needs to be done, Secretary of the Interior Deb Haaland, in recent testimony before the House Subcommittee on Interior, Environment and Related Agencies, made it clear that the administration will fail to meet the statutory requirement in OCSLA to "prepare. . . and maintain an oil and gas leasing program."<sup>1</sup> For new offshore lease sales to be held, a new 5-year Offshore Leasing Program must be finalized to replace the current program which is scheduled to expire on June 30, 2022. A few weeks later, Secretary Haaland then testified before the Senate Energy and Natural Resources Committee and stated that there was no deadline for the completion of the next 5-Year Program, despite knowing that there will be a large gap between Programs and would not commit to the future final Program including any lease sales.

The failure to develop a 5-Year Program on time, coupled with other restrictive energy policies, is already having a dampening effect on investment in American energy. Companies need a robust leasing

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<sup>1</sup> Fiscal Year 2023 Budget Request for the United States Department of the Interior, House Subcommittee on Interior, Environment and Related Agencies, April 28, 2022.

program with consistent opportunities to secure new leases to effectively plan, execute, and manage their businesses. Even temporary lapses in the legally required leasing program can have a significant impact on valuable jobs and needed production as highlighted in a recent study prepared by Energy and Industrial Advisory Partners.<sup>2</sup> These issues could be exacerbated by the ongoing problems currently faced by many industries, which include labor shortages and reestablishing supply chains. We are at a critical time where a lack of federal action and regulatory uncertainty may discourage companies from making the multi-billion-dollar investments needed to develop offshore resources in the U.S. and ensure the long-term viability of a lower-carbon national strategic asset. If the door closes to new U.S. production, investment dollars will instead flow abroad to more active basins to the detriment of American workers, energy consumers, and the environment.

To avoid further economic impact and help ensure accessible, affordable, and reliable energy here in the United States, we urge your administration to immediately take the following actions:

- Execute the laws that mandate the DOI complete a long-term offshore leasing program with robust lease sales to avoid unnecessary production and development disruption. This requires the prompt completion of the steps necessary to finalize the OCS Leasing Program for 2022-2027. The expected delay will harm American investment, production, and jobs<sup>3</sup>. The delays are already having an impact on investment and jobs throughout the supply chain.
- Provide certainty on oil and natural gas leasing by compelling the DOI to meet deadlines and honor its obligation to lease on federal lands and waters.

We look forward to collaborating with you and your administration to reinforce our nation's role as an energy leader in these turbulent times and on efforts to support policies that ensure long-term American energy security and environmental progress.

Most respectfully,

American Petroleum Institute  
Consumer Energy Alliance  
Louisiana Mid Continent Oil and Gas Association  
National Ocean Industries Association  
US Chamber of Commerce, Global Energy Institute  
American Chemistry Council  
American Exploration & Production Council  
American Trucking Association  
EnerGeo Alliance  
Energy Marketers of America  
Energy Workforce & Technology Council

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<sup>2</sup> a temporary lapse in the 5-year Program found that 16% of offshore jobs and an average of 500,000 barrels of oil equivalent per day could be lost in the coming decades, <https://www.api.org/~media/Files/News/2022/03/EIAP-5-year-Program-Leasing-Delay-Report-03-24-22>

<sup>3</sup> "The Consequences of a Leasing and Development Ban on Federal Lands and Waters." OnLocation, Inc., September 2020, <https://www.api.org/-/media/Files/Policy/Exploration/2020/federal-leasing-and-development-ban-study.pdf>

Independent Petroleum Association of America  
International Association of Drilling Contractors  
National Association of Manufacturers  
Offshore Operators Committee  
US Oil & Gas Association  
API Colorado  
API Gulf Coast Region  
API Illinois  
API Midwest Region  
API Northeast Region  
API Ohio  
API Pennsylvania  
API Southeast Region  
Arkansas Oil Marketers Association  
Associated Builders and Contractors of Pennsylvania  
Associated Builders and Contractors of West Virginia  
Associated Industries of Florida  
Associated Pennsylvania Constructors  
Chamber of Commerce Southern New Jersey  
Chemical Industry Council of Illinois  
Coalbed Methane Association of Alabama  
Colorado Business Roundtable  
Consumer Energy Alliance, Alaska  
Consumer Energy Alliance, Florida  
Consumer Energy Alliance, Gulf Coast  
Consumer Energy Alliance, Mid-Atlantic  
Consumer Energy Alliance, Midwest  
Consumer Energy Alliance, Northeast  
Consumer Energy Alliance, Rockies  
Florida Forestry Association  
Florida Independent Petroleum Producers Association  
Florida Natural Gas Association  
Florida Petroleum Marketers Association  
Florida Propane Gas Association  
Florida Restaurant and Lodging Association  
Florida Retail Federation  
Florida State Hispanic Chamber of Commerce  
Florida Tax Watch  
Florida Transportation Builders Association  
Gas and Oil Association of West Virginia  
Greater Lafourche Port Commission  
Gulf Economic Survival Team  
Illinois Manufacturers' Association  
James Madison Institute  
Louisiana Association of Business and Industry  
Louisiana Oil and Gas Association  
Manufacture Alabama  
Manufacturer & Business Association

Marcellus Shale Coalition  
Maritime Exchange for the Delaware River & Bay  
Michigan Petroleum Association  
New Jersey Chamber of Commerce  
New Jersey Gasoline, Convenience Store, Automotive Association  
Ohio Chamber of Commerce  
Pelican Institute for Public Policy  
Pennsylvania Aggregates and Concrete Association  
Pennsylvania Builders Association  
Pennsylvania Chamber of Business and Industry  
Pennsylvania Farm Bureau  
Pennsylvania Food Merchants Association  
Pennsylvania Grade Crude Oil Coalition  
Pennsylvania Independent Oil and Gas Association  
Pennsylvania Independent Petroleum Producers  
Pennsylvania Manufacturers' Association  
Pennsylvania Motor Truck Association  
Pennsylvania Restaurant & Lodging Association  
Pennsylvania Septage Management Association  
Pennsylvania State Grange  
Petroleum and Convenience Marketers of Alabama  
Texas Oil & Gas Association  
West Virginia Chamber of Commerce  
West Virginia Manufacturers Association  
Western Energy Alliance  
Western States Petroleum Association  
Williamsport/Lycoming Chamber of Commerce  
Wyoming County Chamber of Commerce

Cc: Ron Klain, White House Chief of Staff  
Debra Haaland, Secretary of the Interior