

US Oil & Gas Association



ENERGY WORKFORCE

May 4, 2023

The Honorable Joe Manchin Chairman U.S. Senate Committee on Energy and Natural Resources 306 Hart Senate Office Building Washington, DC 20510 The Honorable John Barrasso Ranking Member U.S. Senate Committee on Energy and Natural Resources 307 Dirksen Senate Office Building Washington, DC 20510

Dear Chairman Manchin and Ranking Member Barrasso:

"Made in America" is a label we take seriously as trade associations that represent hundreds of thousands of American workers helping to meet 70% of the country's energy needs. But "Made in America" has become harder in the last few decades as relentless permitting obstacles and interminable environmental analysis under the National Environmental Protection Act (NEPA) delay projects for years, if they happen at all, and increase costs prohibitively. Pipelines, roads, bridges, and other vital infrastructure often can't get built not because Americans don't have the ingenuity and capability to do so, but because of delay and obstruction caused by bureaucracy working hand-in-hand with obstructionist groups that want to keep all oil, natural gas, and coal in the ground and prevent their consumption.

The Senate has a historic chance to set the country and the economy back on the right course. The Spur Permitting of Underdeveloped Resources (SPUR) Act would help get Americans back to work on vital infrastructure projects while making the country more energy secure. Our trade associations strongly support the bill as it would clarify when and how permitting and environmental analysis are to be conducted and limit the ability of unaccountable groups to sow uncertainty and put at risk billions of dollars of investment.

Misguided government policies, justified in the name of climate change, prevent the development of American energy and its export to our allies in Europe and Asia. As a result, American oil and natural gas producers have been hindered from producing up to three million barrels of oil a day,<sup>1</sup> a government-imposed scarcity that has created high costs for Americans and instability in relation to our adversaries in China and Russia. These policies are antithetical to the goal we share of reducing greenhouse gas emissions.

Stopping American production in the absence of an alternative that does everything oil and natural gas do only serves to increase our imports from overseas, where, in the absence of the strict standards we adhere to, the environmental and climate change impact is higher. If we don't produce oil and natural gas here, the demand doesn't go away but is instead met by non-sustainably produced energy from

<sup>&</sup>lt;sup>1</sup> <u>The Cost of Biden's War on Oil and Gas: Nearly \$100 Billion a Year in Lost Output</u>, Committee to Unleash Prosperity, October 2022.

unfriendly countries like Venezuela and Iran. Natural gas is the number one reason the United States has reduced more greenhouse gas emissions than any other country,<sup>2</sup> and provides the necessary back-up when the wind doesn't blow and the sun doesn't shine. Further, wind and solar energy producers are also hamstrung by protracted NEPA delays.

The SPUR Act would restore sanity and certainty to the federal oil and natural gas program and reduce opportunities for obstruction. By specifying the parameters under which leasing, permitting, and NEPA analysis are to be done, the bill clarifies concepts courts have been struggling to interpret or reluctant to enforce, such as when to lease, what permitting deadlines really mean, and when is NEPA analysis sufficient. The bill also would institute reasonable sideboards to prevent risk to investments from litigation years after permits are approved and leases issued.

We are most grateful for the comprehensive way in which the Committee is tackling the hurdles that render America energy insecure and prevent vital infrastructure. Thank you for this important bill and for your leadership on fundamental energy issues that affect every aspect of the economy and Americans' lives.

Sincerely,

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<sup>&</sup>lt;sup>2</sup> <u>Global CO2 Emissions in 2019</u>, International Energy Agency, February 11, 2020.