



March 21, 2023

Speaker Kevin McCarthy  
 U.S. House of Representatives  
 H-232, the Capitol  
 Washington, D.C. 20515

Majority Leader Steve Scalise  
 U.S. House of Representatives  
 H-329, the Capitol  
 Washington, D.C. 20515

Dear Speaker McCarthy and Majority Leader Scalise:

For too long, the government has interfered with energy markets, burdening American production with undue restrictions, distorting markets with wasteful government spending, and discouraging private-sector production. Biden Administration actions and the Inflation Reduction Act (IRA) have enacted further red tape, higher costs, and permitting obstacles that serve as barriers to efficient and timely production in response to national and global demand. 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 citizens and instability in relation to our adversaries in China and Russia.

We, the undersigned 25 oil and natural gas trade associations, strongly support H.R. 1. The bill is a welcome answer to government-imposed distortions to energy markets that have decimated the energy independence that America enjoyed just a few short years ago. Make no mistake, we wholeheartedly believe in producing energy in an environmentally responsible manner that protects the nation's air, water, land, wildlife, and cultural resources while providing billions in taxes and royalties that sustain communities and vital public services at every level of government. We are proud that American oil and natural gas are developed under the world's most protective standards and our companies readily comply with the bedrock environmental laws. However the red tape we have experienced over the past few years is not intended to protect the environment but to handcuff American oil and natural gas

<sup>1</sup> [The Cost of Biden's War on Oil and Gas: Nearly \\$100 Billion a Year in Lost Output](#), Committee to Unleash Prosperity, October 2022.

production in a misguided attempt to quickly transition to an alternative reality that does not exist. The result is higher prices for all Americans and more imports from unfriendly countries.

We are most grateful for the comprehensive way in which Congress is tackling the hurdles that render America energy insecure and prevent vital infrastructure. The several bills that constitute H.R. 1 contain numerous worthwhile provisions that were we to address some of them in this brief letter we would do injustice to many others. Rather than delving into the details, we would like to highlight what these bills would achieve in the aggregate.

Restore Certainty in Federal On- and Offshore Production: Oil and natural gas produced on federal lands and waters are some of the most sustainable in the world because of all the additional protections inherent with federal development. H.R. 1 would remove all the additional costs and barriers that were implemented in IRA to fulfill the president’s promise of “no federal oil.” The bill would restore regularity in leasing and permitting processes to ensure that federal production, which normally constitutes about a quarter of our country’s total, resumes at appropriate levels.

Remove Barricades to Vital Infrastructure Development: Infrastructure projects, from pipelines to roads and bridges, are necessary to sustain a functioning modern society. Yet for too long National Environmental Protection Act (NEPA) analysis has strayed far from its intent to protect the environment through thoughtful analysis and mitigation. Instead, it has become a tool for simply saying “no” to projects or for dragging them out for years while leaving Americans saddled with crumbling infrastructure and much higher bills to fix it. The bill would restore sanity to NEPA processes so that the country can achieve both—better infrastructure and better environmental protection.

Provide Sustainable Climate Change Solutions: Natural gas is the number one reason the United States has reduced more greenhouse gas emissions than any other country.<sup>2</sup> Increased natural gas electricity generation has reduced more greenhouse gases than wind and solar energy combined because of its low-carbon profile and 24/7 reliability.<sup>3</sup> Yet despite that real solution for addressing climate change concerns, IRA increased taxes on natural gas as a means to reduce its production, distribution, and use. Those who push to electrify everything seem to forget that natural gas provides nearly 40% of all U.S. electricity, compared to about 11% for wind and solar energy.<sup>4</sup> Natural gas is necessary back-up when the wind doesn’t blow and the sun doesn’t shine. By removing new taxes on natural gas and enabling its export to our allies, we can continue to reduce the carbon profile of the U.S. electricity sector while enabling other countries to likewise reduce their greenhouse gas emissions.

Restore Energy Security and Lower Prices: In totality, H.R. 1 restores the balance between the regulatory regime and responsibly produced oil and natural gas. It reverses an agenda meant to severely constrain and ultimately stop the production of the very energy sources that meet about 80% of Americans’ energy needs. The no-fossil-fuels agenda has already been shown by Germany to lead to astronomical prices, energy insecurity, and paradoxically, higher greenhouse gas emissions as coal-generated electricity replaces Russian natural gas. In the United States, 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 unfriendly countries like Venezuela and Iran. By encouraging rather than discouraging American energy

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<sup>2</sup> [Global CO<sub>2</sub> Emissions in 2019](#), International Energy Agency, February 11, 2020.

<sup>3</sup> [Natural Gas Leading the Way in Reducing U.S. Power Sector CO<sub>2</sub> Emissions](#), Energy in Depth, April 22, 2022.

<sup>4</sup> [Electricity in the United States](#), Energy Information Administration, webpage accessed March 13, 2023.

production, H.R. 1 increases American national security and lowers prices for consumers here and around the globe.

We are thrilled that you have placed such an emphasis on unleashing American energy and actually reducing energy inflation by designating this legislative package as H.R. 1. Thank you for this important bill and for your leadership on these fundamental issues that affect every aspect of the economy and Americans' lives.

Sincerely,

Alaska Support Industry Alliance  
Colorado Alliance of Mineral and Royalty Owners  
Colorado Oil & Gas Association  
Domestic Energy Producers Alliance  
EnerGeo Alliance  
Energy Workforce & Technology Council  
Independent Petroleum Association of America  
Independent Petroleum Assn of New Mexico  
Kansas Independent Oil & Gas Association  
Kentucky Oil and Gas Association  
Marcellus Shale Coalition  
Montana Petroleum Association  
New Mexico Oil and Gas Association

North Dakota Petroleum Council  
Panhandle Producers & Royalty Owners Assn  
Permian Basin Petroleum Association  
Petroleum Association of Wyoming  
Southeast Oil and Gas Association  
Texas Alliance of Energy Producers  
The Energy Council  
The Petroleum Alliance of Oklahoma  
U.S. Oil & Gas Association  
Utah Petroleum Council  
Western Energy Alliance  
Texas Independent Producers & Royalty Owners Association

cc: Chair Cathy McMorris Rodgers, Committee on Energy and Commerce  
Chairman Bruce Westerman, House Committee on Natural Resources  
Chairman Sam Graves, Committee on Transportation and Infrastructure