SLS 22RS-672 **ORIGINAL**

2022 Regular Session

SENATE CONCURRENT RESOLUTION NO. 12

BY SENATORS HEWITT, ALLAIN, FESI AND HENSGENS AND REPRESENTATIVES COUSSAN AND DEVILLIER

MINERALS. Requests halt in actions that cancel or delay offshore oil and natural gas lease sales.

A CONCURRENT RESOLUTION

To urge and request the President of the United States and the Congress of the United States to take any action necessary to halt federal actions resulting in the delay or cancellation of offshore oil and natural gas lease sales and the United States Department of Interior to expedite actions necessary to comply with a court order to resolve lease sales, finalize a new five-year plan for oil and gas leasing on the Outer Continental Shelf, and focus efforts on lease sales in the Gulf of Mexico.

WHEREAS, the Gulf of Mexico produces approximately seventeen percent of the United States crude oil and five percent of United States natural gas while contributing five to eight billion dollars to the federal treasury each year and sending hundreds of millions of dollars to coastal states for coastal restoration and hurricane protection projects; and

WHEREAS, the oil and gas industry directly supports two hundred forty-nine thousand eight hundred jobs in Louisiana; and

WHEREAS, the oil and gas industry activities represent twenty-six percent of Louisiana's gross domestic product, accounting for nearly four billion five hundred million dollars in state and local tax revenue in 2019 alone, representing fourteen and one-half percent of total state taxes, licenses, and fees collected; and

WHEREAS, according to the Bureau of Ocean Energy Management, which regulates offshore lease sales, the Gulf continues to be the nation's primary offshore source of oil and gas, generating about ninety-seven percent of all United States Outer Continental Shelf oil and gas production and since 2017, Gulf of Mexico lease sales have generated more than one trillion dollars from offshore leasing; and

WHEREAS, since 1953, the United States Secretary of the Interior has been required by law to prepare a five-year plan to set a schedule for oil and gas leases in United States offshore waters based on a lengthy, multi-year regulatory process with multiple stages for public comment, input, and consultation; and

WHEREAS, the Obama administration issued a five-year-plan for oil and gas leasing that expires on July 1, 2022, which includes two remaining lease sales for the Gulf of Mexico, Lease Sale 259 and Lease Sale 261; and

WHEREAS, the United States Department of Interior missed the deadline to issue a notice of sale for Gulf of Mexico Lease Sale 259 in order to meet the expiration of the current five-year plan; and

WHEREAS, on January 27, 2021, President Biden signed Executive Order 14008, "Tackling the Climate Crisis" declaring a pause on leasing on federal lands and waters, including the Outer Continental Shelf of the Gulf of Mexico; and

WHEREAS, the United States District Court issued a preliminary injunction on the leasing pause and ordered federal oil and gas lease sales to proceed on June 15, 2021; and

WHEREAS, the Department of Interior held Lease Sale 257 on November 17, 2021; however, on January 27, 2022, a ruling by the United States District Court for the District of Columbia invalidated the sale and required the Department of Interior to reassess the environmental impacts of Lease Sale 257; and

WHEREAS, the Department of Interior is not appealing the court ruling and therefore there is no indication that leases will be awarded to the offshore companies from Lease Sale 257; and

WHEREAS, there is no indication that the federal government will hold another Gulf of Mexico offshore lease sale for the duration of the Biden administration's term and there is no indication that the Department of Interior is working on the next five-year plan; and

WHEREAS, according to the most recent federal data, although U.S. crude output fell slightly with a drop of nearly thirteen and one-half percent in offshore Gulf of Mexico production from December 2019 through December 2021, the demand for oil climbed nine and four-fifth percent from a year earlier; and

WHEREAS, oil and gas production in the Gulf of Mexico is the only reliable source of funding for Louisiana's coastal programs such as the Gulf of Mexico Energy Security Act that allows the Gulf states to share in offshore revenue generated from offshore oil activity including bonus bid revenue; and

WHEREAS, over the past five years Louisiana approximately has received between one hundred sixty million dollars and four hundred seven million dollars from bonus bids alone; and

WHEREAS, it is estimated that in 2021 the state of Louisiana lost approximately twenty to forty million dollars due to the cancelled lease sales and lost bonus bid revenue; and

WHEREAS, Louisiana depends on Gulf of Mexico Energy Security Act revenues to fund a fifty billion dollar coastal restoration plan; and

WHEREAS, delaying or cancelling Gulf of Mexico leasing negatively impacts federal and state revenue, as well as Louisiana businesses and jobs; and

WHEREAS, drilling contractors will see impacts, dropping as many as twenty-five percent of the remaining Gulf of Mexico rigs over the next several years, in addition to the network of staff, supply boats, and other vendors that support and maintain drillships that equates to roughly one thousand jobs per rig; and

WHEREAS, the Gulf of Mexico is the safest and cleanest oil produced anywhere in the world; and

WHEREAS, halting domestic energy development in one of the lowest carbon intensive energy producing regions in the world to shift production and capital investment overseas undermines decades of environmental progress; and

WHEREAS, a 2016 Obama administration study conducted by Bureau of Ocean Energy Management concluded that America's greenhouse gas emissions will be little affected by leasing decisions on the bureau's offshore leasing program and could in fact result in an increase of greenhouse gas emissions in the absence of new Outer Continental

Shelf leasing due to an increase in importing foreign oil; and

WHEREAS, the Biden administration is pursuing a policy which places the United States at the mercy of the Organization of Petroleum Exporting Countries and Russia to meet domestic needs and harming national and economic security.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the President of the United States and Congress of the United States to take any action necessary to halt federal actions resulting in the delay or cancellation of offshore oil and natural gas lease sales.

BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby urge and request the United States Department of Interior to expedite any actions necessary to comply with United States District Court for the District of Columbia order to resolve Lease Sale 257, finalize a new five-year plan for oil and gas leasing on the outer continental shelf, and focus all efforts on mandated lease sales in the Gulf of Mexico.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the President of the United States, the United States Secretary of the Interior, the United States Secretary of Energy, the Federal Energy Regulatory Commission, the White House National Climate Advisor, the clerk of the United States House of Representatives, the secretary of the United States Senate, and to each member of the Louisiana delegation of the United States Congress.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Tyler S. McCloud.

DIGEST

SCR 12 Original — 2022 Regular Session — Hewitt

Requests the U.S. President and the U.S. Congress to take any action necessary to halt federal actions resulting in the delay or cancellation of offshore oil and natural gas lease sales. Requests the U.S. Department of Interior to expedite actions necessary to comply with a court order to resolve lease sales, finalize a new five-year plan for oil and gas leasing on the Outer Continental Shelf, and focus efforts on lease sales in the Gulf of Mexico.