HLS 22RS-1323 ORIGINAL

2022 Regular Session

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HOUSE CONCURRENT RESOLUTION NO. 43

BY REPRESENTATIVE ORGERON

ENERGY PRODUCTION: Urges and requests federal action on domestic oil and gas production

A CONCURRENT RESOLUTION

2 To urge and request the president of the United States (U.S.), the governor of Louisiana and 3 the Louisiana congressional delegation to do everything in their power to halt federal 4 actions resulting in the delay or cancellation of offshore oil and natural gas lease 5 sales and strongly urge the U.S. Department of the Interior and the Biden Administration to expedite actions necessary to comply with the order by the U.S. 6 7 District Court for the District of Columbia to resolve Lease Sale 257 and finalize a 8 new five-year plan for oil and gas leasing on the outer continental shelf. 9 WHEREAS, the Gulf of Mexico produces approximately seventeen percent of the 10 U.S. crude oil and five percent of U.S. natural gas while contributing five to eight billion 11 dollars to the federal treasury each year and sends hundreds of millions of dollars to coastal 12 states for coastal restoration and hurricane protection projects; and 13 WHEREAS, the oil and gas industry directly supports two hundred forty-nine 14 thousand eight hundred jobs in Louisiana and the oil and gas industry activities represent 15 twenty-six percent of Louisiana's Gross Domestic Product, accounting for nearly four and 16 one half billion dollars in state and local tax revenue in 2019 alone, with fourteen and one 17 half percent of total state taxes, licenses, and fees collected; and 18 WHEREAS, according to the Bureau of Ocean Energy Management (BOEM) which 19 regulates offshore lease sales, the Gulf of Mexico continues to be the nation's primary offshore source of oil and gas, generating about ninety-seven percent of all U.S. outer 20 21 continental shelf (OCS) oil and gas production; and

1	WHEREAS, since 2017, Gulf of Mexico lease sales have generated more than one
2	billion dollars from offshore leasing; and
3	WHEREAS, since 1953, the U.S. Secretary of the Interior has been required by law
4	to prepare a five-year plan to set a schedule for oil and gas leases in U.S. offshore waters;
5	and
6	WHEREAS, it is a lengthy, multi-year regulatory process with multiple stages for
7	public comment, input, and consultation; and
8	WHEREAS, the Obama Administration issued a five-year-plan for oil and gas
9	leasing that expires on July 1, 2022; and
10	WHEREAS, there are two remaining lease sales for the Gulf of Mexico authorized
11	under the current five-year plan, including Lease Sale 259 and Lease Sale 261; and
12	WHEREAS, the U.S. Department of the Interior (DOI) missed the deadline to issue
13	a notice of sale for Gulf of Mexico Lease Sale 259 in order to meet the expiration of the
14	current five-year plan; and
15	WHEREAS, President Biden signed Executive Order 14008, Tackling the Climate
16	Crisis at Home and Abroad, on January 27, 2021, declaring a pause on leasing on federal
17	lands and waters, including the OCS of the Gulf of Mexico; and
18	WHEREAS, the U.S. District Court ordered a preliminary injunction on the leasing
19	pause and ordered federal oil and gas lease sales to proceed on June 15, 2021; and
20	WHEREAS, the DOI held Lease Sale 257 on November 17, 2021; however, on
21	January 27, 2022, a ruling by the U.S. District Court for the District of Columbia invalidated
22	Gulf of Mexico Lease Sale 257 requiring the DOI to reassess the environmental impacts of
23	Lease Sale 257; and
24	WHEREAS, the DOI is not appealing the court ruling and therefore there is no
25	indication that leases will be awarded to the offshore companies; and
26	WHEREAS, there is no indication that the federal government will hold another Gulf
27	of Mexico offshore lease sale for the duration of President Biden's term; and
28	WHEREAS, there is no indication that the DOI is working on the next OCS five year
29	plan, and

1	WHEREAS, since December 2019 crude output fell slightly, with a drop of nearly
2	thirteen and one half percent in offshore Gulf of Mexico production; however, demand for
3	oil has climbed nine and eight-tenths percent in the same period.
4	WHEREAS, the Gulf of Mexico Energy Security Act (GOMESA), which allows
5	Gulf states to share in offshore revenue generated from offshore oil activity including bonus
6	bid revenue, is the only reliable source of funding for Louisiana's coastal programs; and
7	WHEREAS, over the past five years Louisiana has received between one hundred
8	sixty million and four hundred seven million dollars from bonus bids alone; and
9	WHEREAS, it is estimated that the state of Louisiana lost approximately twenty to
10	forty million dollars in 2021 due to the cancelled lease sales and lost bonus bid revenue; and
11	WHEREAS, Louisiana depends on GOMESA revenues to fund a fifty billion dollar
12	coastal restoration plan; and
13	WHEREAS, the U.S. Secretary of the Interior is required by law to prepare a
14	five-year plan to set a schedule for oil and gas leases in federal offshore waters; and
15	WHEREAS, delaying or canceling Gulf of Mexico leasing negatively impacts federal
16	and state revenue, as well as Louisiana businesses and jobs; and
17	WHEREAS, drilling contractors will see impacts dropping as many as one quarter
18	of the remaining Gulf of Mexico rigs over the next several years; and
19	WHEREAS, every drillship maintains an entire network of staff, supply boats, and
20	other vendors that support roughly one thousand jobs per rig; and
21	WHEREAS, the Gulf of Mexico is the safest and cleanest oil produced anywhere in
22	the world; and
23	WHEREAS, halting domestic energy development in one of the lowest carbon
24	intensive energy producing regions in the world will shift production and capital investment
25	overseas and undermine decades of environmental progress; and
26	WHEREAS, a 2016 Obama Administration study conducted by BOEM concluded
27	that America's greenhouse gas (GHG) emissions will be only slightly affected by leasing
28	decisions on BOEM's offshore leasing program and could result in an increase of GHG
29	emissions in the absence of new OCS leasing due to an increase in importing foreign oil; and

1 WHEREAS, the current administration is pursuing a policy that places the U.S. at 2 the mercy of the Organization of Petroleum Exporting Countries (OPEC) and Russia to meet 3 our domestic needs, harming our national and economic security. 4 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby 5 urge and request the president of the United States, the governor of Louisiana and the 6 Louisiana congressional delegation to do everything in their power to halt federal actions 7 resulting in the delay or cancellation of offshore oil and natural gas lease sales and strongly 8 urge the U.S. Department of Interior and the Biden Administration to expedite actions 9 necessary to comply with the order of the U.S. District Court for the District of Columbia 10 to resolve Lease Sale 257 and finalize a new five-year plan for oil and gas leasing on the 11 outer continental shelf. 12 BE IT FURTHER RESOLVED that all efforts should focus on mandated lease sales in the Gulf of Mexico. 13 14 BE IT FURTHER RESOLVED that the clerk of the Senate is hereby directed to 15 forward a copy of this resolution to the president of the United States, the secretary of the 16 interior, the secretary of energy, the Federal Energy Regulatory Commission, the White 17 House national climate advisor, the speaker and clerk of the United States House of 18 Representatives, the president pro tempore and secretary of the United States Senate, and the 19 members of the Louisiana congressional delegation.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HCR 43 Original

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Orgeron

Urges and requests the president of the United States, the governor of Louisiana and the La. congressional delegation to do everything in their power to halt federal actions resulting in the delay or cancellation of offshore oil and natural gas lease sales and strongly urge the U.S. Department of the Interior and the Biden Administration to expedite actions necessary to comply with the order of the U.S. District Court for the District of Columbia to resolve Lease Sale 257 and finalize a new five-year plan for oil and gas leasing on the outer continental shelf. Further specifies that all efforts should focus on mandated lease sales in the Gulf of Mexico.