ENROLLED

2022 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 43

BY REPRESENTATIVES ORGERON, ADAMS, AMEDEE, BACALA, BEAULLIEU, BISHOP, BOURRIAQUE, CARRIER, CORMIER, COUSSAN, DAVIS, DEVILLIER, DUBUISSON, ECHOLS, EDMONDS, EDMONSTON, EMERSON, FIRMENT, FISHER, FREIBERG, GAROFALO, GEYMANN, GOUDEAU, HODGES, HORTON, ILLG, KERNER, MIGUEZ, DUSTIN MILLER, GREGORY MILLER, MINCEY, ROBERT OWEN, RISER, ROMERO, SCHAMERHORN, SCHEXNAYDER, SELDERS, ST. BLANC, STAGNI, THOMPSON, TURNER, WHEAT, WRIGHT, AND ZERINGUE

A CONCURRENT RESOLUTION

To urge and request the president of the United States (U.S.), the governor of Louisiana and the Louisiana 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 by 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.

WHEREAS, the Gulf of Mexico produces approximately seventeen percent of the U.S. crude oil and five percent of U.S. natural gas while contributing five to eight billion dollars to the federal treasury each year and sends 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 the oil and gas industry activities represent twenty-six percent of Louisiana's Gross Domestic Product, accounting for nearly four and one half billion dollars in state and local tax revenue in 2019 alone, with fourteen and one half percent of total state taxes, licenses, and fees collected; and

WHEREAS, according to the Bureau of Ocean Energy Management (BOEM) which 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 continental shelf (OCS) oil and gas production; and

WHEREAS, since 2017, Gulf of Mexico lease sales have generated more than one billion dollars from offshore leasing; and

WHEREAS, since 1953, the U.S. 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 U.S. offshore waters; and

WHEREAS, it is 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; and

WHEREAS, there are two remaining lease sales for the Gulf of Mexico authorized under the current five-year plan, including Lease Sale 259 and Lease Sale 261; and

WHEREAS, the U.S. Department of the Interior (DOI) 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, President Biden signed Executive Order 14008, Tackling the Climate Crisis at Home and Abroad, on January 27, 2021, declaring a pause on leasing on federal lands and waters, including the OCS of the Gulf of Mexico; and

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

WHEREAS, the DOI held Lease Sale 257 on November 17, 2021; however, on January 27, 2022, a ruling by the U.S. District Court for the District of Columbia invalidated Gulf of Mexico Lease Sale 257 requiring the DOI to reassess the environmental impacts of Lease Sale 257; and

WHEREAS, the DOI is not appealing the court ruling and therefore there is no indication that leases will be awarded to the offshore companies; and

WHEREAS, there is no indication that the federal government will hold another Gulf of Mexico offshore lease sale for the duration of President Biden's term; and

WHEREAS, there is no indication that the DOI is working on the next OCS five year plan; and

WHEREAS, since December 2019 crude output fell slightly, with a drop of nearly thirteen and one half percent in offshore Gulf of Mexico production; however, demand for oil has climbed nine and eight-tenths percent in the same period; and

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

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

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

WHEREAS, Louisiana depends on GOMESA revenues to fund a fifty billion dollar coastal restoration plan; and

WHEREAS, the U.S. Secretary of the Interior is required by law to prepare a five-year plan to set a schedule for oil and gas leases in federal offshore waters; and

WHEREAS, delaying or canceling 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 one quarter of the remaining Gulf of Mexico rigs over the next several years; and

WHEREAS, every drillship maintains an entire network of staff, supply boats, and other vendors that support 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 will shift production and capital investment overseas and undermine decades of environmental progress; and

WHEREAS, a 2016 Obama Administration study conducted by BOEM concluded that America's greenhouse gas (GHG) emissions will be only slightly affected by leasing decisions on BOEM's offshore leasing program and could result in an increase of GHG emissions in the absence of new OCS leasing due to an increase in importing foreign oil; and

WHEREAS, the current administration is pursuing a policy that places the U.S. at the mercy of the Organization of Petroleum Exporting Countries (OPEC) and Russia to meet our domestic needs, harming our national and economic security.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the president of the United States, the governor of Louisiana and the Louisiana 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 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.

BE IT FURTHER RESOLVED that all efforts should focus on mandated lease sales in the Gulf of Mexico.

BE IT FURTHER RESOLVED that the clerk of the House is hereby directed to forward a copy of this Resolution to the president of the United States, the secretary of the interior, the secretary of energy, the Federal Energy Regulatory Commission, the White House national climate advisor, the speaker and clerk of the United States House of Representatives, the president pro tempore and secretary of the United States Senate, and the members of the Louisiana congressional delegation.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE