



TEXAS STATE

BACKGROUND AND SUMMARY OF LEGISLATION

The Gulf of Mexico provides approximately 20% of America's oil and natural gas production and is the backbone of our nation's energy security. The Gulf of Mexico energy industry has dealt with multiple setbacks this year including global price wars, fallout from the COVID-19 pandemic, and again when President Trump issued a Memorandum¹ to withdraw access to the Eastern Gulf Planning Area for an additional 12 years. As a result, rig counts and well starts remain at historic lows. Former Vice President Biden campaigned on banning² access to oil and natural gas and new permitting on federal lands and waters. Further, House Democrats have introduced the Ocean-Based Climate Solutions Act³ blocking new leasing on the Outer Continental Shelf (OCS).

The Conservation Funding Protection Act provides regulatory certainty and protection for Gulf of Mexico energy by requiring two region-wide lease sales per year on available acreage in the Western and Central Gulf of Mexico—essentially keeping the status quo. The legislation also provides timeframes for NEPA analysis associated with the lease sales consistent with the Council of Environmental Quality (CEQ) regulations and protects the permitting process on current and future leases.

While the Conservation Funding Protection Act is critical to protect energy production in the Gulf of Mexico, it also will maintain the energy production that has been committed to fund public land infrastructure and conservation under the Great American Outdoors Act (GAOA). While GAOA allows onshore energy development to contribute to the bill's causes, nearly 60 percent of energy revenue for the federal government continues to come from offshore energy. Critically for the Gulf of Mexico Region, offshore energy exploration and development funds coastal restoration, hurricane preparedness, wetland mitigation, and other investments along the coast under the Gulf of Mexico Energy Security Act (GOMESA).

¹ President Donald J. Trump, 'Memorandum on the Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition,' Whitehouse.gov, 2020, www.whitehouse.gov/presidential-actions/memorandum-withdrawal-certain-areas-united-states-outer-continental-shelf-leasing-disposition/, September 8, 2020

² Biden-Harris Campaign, 'The Biden Plan for a Clean Energy Revolution and Environmental Justice,' JoeBiden.com, 2020, <https://joebiden.com/climate-plan/>, November 12, 2020

³ Grijalva, Raúl, Chairman, 'Chairs Grijalva, 'Castor Introduce Landmark Oceans Solutions Bill to Tackle Climate Crisis,' Grijalva.house.gov, 2020, <https://grijalva.house.gov/press-releases/chairs-grijalva-castor-introduce-landmark-oceans-solutions-bill-to-tackle-climate-crisis/>, October 20, 2020

⁴ Shafer, Sean; Lynch, Cameron; Energy Industrial Environment Partners, 'The Economic Impacts of the Gulf of Mexico Oil and Natural Gas Industry,' eiapartners.com, 2020, www.eiapartners.com/blog/news/noia-economic-impacts, November 12, 2020

⁵ Bernhardt, David, Secretary of the Interior, 'Interior Disburses \$353 Million in GOMESA Revenues for Gulf State Coastal Conservation and Hurricane Protection Projects,' doi.gov, 2020, www.doi.gov/pressreleases/interior-disburses-353-million-gomesa-revenues-gulf-state-coastal-conservation-and-november-12-2020

⁶ OnLocation, Inc. for the American Petroleum Institute, 'The Consequences of a Leasing and Development Ban on Federal Lands and Waters,' api.org, 2020, www.api.org/-/media/Files/News/2020/09/Consequences_of_a_Leasing_and_Development_Ban_on_Federal_Lands_and_Waters.pdf, November 12, 2020

CONSERVATION FUNDING PROTECTION ACT

A RECENT STUDY⁴ HIGHLIGHTS THE IMPACT OF GULF OF MEXICO ENERGY ON TEXAS:



147,000 JOBS



MORE THAN \$12.6 BILLION IN GDP IMPACT



MORE THAN \$95 MILLION⁵ FOR COASTAL PROJECTS

If a ban on new oil and gas production on federal lands and waters was enacted, it would have devastating impacts for Gulf communities and others across the nation.

A 2020 ANALYSIS⁶ CONCLUDED THAT BANNING FEDERAL LEASING WOULD RESULT IN:



Nearly **120,000 TEXAS JOBS LOST** in the first 12-24 months



A decrease in offshore oil production by **44%** and natural gas by **68%** by 2030



Increased dependency on imports by nearly **2 MILLION BARRELS** per day



Potential loss of **\$65 MILLION IN STATE REVENUE**

