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Kennedy, colleagues introduce Conservation Funding Protection Act to protect Louisiana jobs, coastlands

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WASHINGTON – Sen. John Kennedy (R-La.) today introduced legislation to protect jobs and drilling opportunities in the Gulf of Mexico and the conservation efforts they fund. Sens. Cindy Hyde-Smith (R-Miss.), Bill Cassidy (R-La.), Ted Cruz (R-Texas), Steve Daines (R-Mont.), John Cornyn (R-Texas), Roger Wicker (R-Miss.) and Cynthia Lummis (R-Wyo.) are original cosponsors of the Conservation Funding Protection Act.

President Joe Biden announced today a moratorium on issuing new oil and gas leases on federal lands and waters. The Conservation Funding Protection Act would ensure that American oil producers would retain access to critical energy reservoirs on the Outer Continental Shelf. That energy production funds conservation, coastal restoration, hurricane preparedness, wetland mitigation and public land maintenance.

If enacted into law, the Conservation Funding Protection Act would overrule Biden's executive order.

"Now more than ever, Congress must act to make sure that Louisianians and other energy producers can keep America running and keep America competitive. President Biden's war against Louisiana jobs and America's energy independence is astonishingly dangerous. It's short-sighted. It cuts against our conservation efforts because domestic energy production funds coastal protection. It gives a leg up to America's enemies, who are burning fuel recklessly to build their economies at the expense of American workers. In short, Biden's moratorium on oil and gas leases is unwise, unfair and insulting to every Louisianian who helped revive America's energy industry. The Conservation Funding Protection Act would guarantee that Americans continue to have access to our country's energy resources," said Kennedy.

"The early actions by the new administration to stop oil and gas production make the Conservation Funding Protection Act all the more significant. Off-shore leases, both current and future, are the source of well-paying jobs and royalty revenues that allow states like Mississippi to fund conservation projects and other vital services. With this bill, we're stressing that it is just not sound policy to simply stop producing American energy resources," said Hyde-Smith, who serves on the Senate Energy and Natural Resources Committee.

"Louisiana families depend on energy production and the jobs it produces. This bill aims to keep the Gulf open for business and protect workers who are threatened by Biden's radical environmental agendas," said Cassidy.

"I have long fought to ensure that the United States remains a global leader in energy production and maintains our energy independence for years to come. It is vital to the economic and national security of the United States to preserve energy production in the Gulf of Mexico and reduce our reliance on foreign powers. On the same day that President Biden is announcing a ban on new onshore and offshore oil and natural gas leasing, I am proud to support this legislation because our offshore drilling supplies thousands of jobs to hard-working Americans, helps our economy thrive, and funds key environmental conservation projects," said Cruz.

"Just a few short months ago, Congress passed historic, mandatory funding for LWCF and our public lands. That money comes almost exclusively from oil and gas production in the Gulf Coast. Without this critical energy production, we threaten this important conservation funding and America's energy independence. We must protect this vital American resource and continue to provide opportunities to produce American energy and conserve our public lands," Daines said.

"Ensuring continued access to energy resources in the Gulf of Mexico is critical to funding conservation efforts and important storm mitigation projects along the Texas coast. This bill would help keep us from a return to the days of relying on our adversaries to meet our energy needs," said Cornyn.

"The Gulf of Mexico's bountiful natural resources have been a cornerstone in the resurgence of American energy independence. Revenues generated from federal leases have also supported a multitude of critical conservation and restoration projects along the Mississippi Gulf Coast. The Conservation Funding Protection Act would ensure our valuable resources are managed responsibly and enable states to continue investing in projects that will sustain their coastlines for generations to come," said Wicker.

"Every Member of Congress who supported the Great American Outdoors Act would be hypocritical to not support the Conservation Funding Protection Act. President Biden's actions today are an example of finding a problem where there was a solution: His leasing ban undercuts funding for environmental projects, which are paid for by revenue from energy leasing in the Gulf. The most economically sustainable and least burdensome way to fund conservation efforts is through energy leasing, and I'm proud to support Sen. Kennedy's bill to continue leasing our natural resources and providing good jobs, economic growth, and conservation funding for the American people," said Lummis.

Background:

In order to ensure that the Gulf region can steward the shelf's resources, the Conservation Funding Protection Act would require at least two area-wide lease sales per year on available acreage in the Western and Central Gulf of Mexico. The Outer Continental Shelf Lands Act currently directs the Secretary of Interior to establish a schedule for lease sales on the Outer Continental Shelf but does not mandate the number of lease sales the department is required to hold.

Even before today's executive order prohibiting any new sales of oil and gas leases on federal property, some projections estimate that a permitting ban on natural gas and oil leasing and development projects on federal lands and waters—such as the Outer Continental Shelf—would result in the loss of nearly 1 million oil and gas related jobs within the first 12 to 24 months of the ban. Louisiana is home to 48,000 of those jobs. Such a ban would decrease offshore oil production by 44 percent and natural gas production by 68 percent within the next decade.

This bill would maintain all current environmental laws and ensure that the Department of Interior conducts the environmental reviews required by law within clear time frames. The legislation does not alter environmental regulations for lease sales, rig operations or exploration.

Support for this legislation includes the Louisiana Mid-Continent Oil and Gas Association, American Petroleum Institute, National Ocean Industries Association, International Association of Drilling Contractors, Consumer Energy Alliance, International Association for Geophysical Chemistry, Petroleum Equipment and Service Association and others.

"The Conservation Funding Protection Act is critical to protecting existing energy production in the Gulf of Mexico and the livelihoods of thousands of hardworking citizens across the Gulf coast. Oil and gas leasing and production in the Gulf of Mexico is also the primary source of funding for conservation projects across the country, and, importantly, for Louisiana's hurricane protection systems and coastal restoration efforts. Now, more than ever we should be investing in America's offshore oil and natural gas industry rather than restricting development, increasing our dependence on foreign resources and sending our American jobs to other parts of the world. This important bill will protect the Louisiana communities that depend on energy production for economic stability and for the protection and resiliency of our coast," said Tyler Gray, Louisiana Mid-Continent Oil and Gas Association President.

The bill text is available <u>here</u>.