



July 14, 2021

Dear Chairman Grijalva and Ranking Member Westerman,

On behalf of the Independent Petroleum Association of America (IPAA), I write to oppose H.R. 3764, a bill to direct the Administrator of the National Oceanic and Atmospheric Administration to provide for ocean-based climate solutions to reduce carbon emissions and global warming. IPAA is a national upstream trade association representing thousands of independent oil and natural gas producers and service companies across the United States and offshore. Independent producers develop 90 percent of the nation's oil and natural gas wells. These companies account for 83 percent of America's oil production, 90 percent of its natural gas and natural gas liquids (NGL) production, and support over 4.5 million American jobs.

H.R. 3764 restricts access to areas for offshore oil and gas production by prohibiting leasing as well as geological or geophysical activities in support of oil and natural gas on the Outer Continental Shelf (OCS) except in the Central and Western planning areas of the Gulf of Mexico. This ban on production will have far reaching effects not just for oil and natural gas producers but will also severely impact coastal state budgets, the Land and Wildlife Conservation Fund which receives one hundred percent of its funding from offshore receipts, and the Federal Treasury.

H.R. 3764 goes on to fast-track designations of new National Marine Sanctuaries and include Marine Protected Areas, further limiting access for multiple-use activities. While the Congressional Budget Office has not given an official score yet, conservative estimates believe H.R. 3764 will create an additional \$19 Billion of discretionary spending while hampering the economic contribution of the oil and natural gas industry at the same time.

For these reasons, IPAA is strongly opposed to H.R. 3764.

Sincerely,

Dan Naatz
Executive Vice President
Independent Petroleum Association of America