



MEMORANDUM

To: AXPC Government Affairs Committee, AXPC Communications Committee

From: AXPC CEO Anne Bradbury

Subject: Unleashing American Energy Production, AXPC Policy Recommendations

Date: June 21, 2022

AXPC member companies are authors of the great American Shale Revolution – a time in which energy costs went down due to domestically produced oil and natural gas that was unlocked through hydraulic fracturing and horizontal drilling technologies. History often teaches us mistakes not to repeat – but it also teaches us valuable lessons about what works. And, in the case of supporting stable energy prices, unleashing American energy is the answer. It’s also the answer to good-paying American jobs, lower global emissions, and both energy and national security for our country and our allies.

AXPC has outlined the following actions that we believe the Administration and/or Congress can take to “Unleash American Energy Production,” and would like support from AXPC members to roll out these official recommendations in a series of external communications materials. These include: a press statement, blog, fact sheet, digital posts, presentations, and speeches and/or letters to key stakeholders, including: third party allies, Members of Congress, the White House, and federal agencies.

1. **Allowing access to produce on federal lands:** A historic royalty rate increase, coupled with federal acreage reduction and the omnipresent risk of litigation, will further challenge operators from developing federal mineral resources. Amidst the global backdrop of high energy prices and skyrocketing inflation, the Biden Administration and Congress should instead find ways to support federal lands production.
2. **Strengthen our nation’s energy infrastructure:** Streamlining the National Environmental Policy Act (NEPA) process and ending the obstruction of oil and natural gas projects will promote certainty and predictability in the permitting process to spur project investment in energy infrastructure. The NEPA environmental review process should be more efficient and consistent, clearly focused on NEPA’s central goal of improving Agency decision making within reasonable timeframes. The permitting obstruction—sometimes from non-pertinent federal agencies—of energy infrastructure projects should end and layers of duplicative regulation and reviews, such as the multiple reviews for greenhouse gas emission, across federal agencies – including US Environmental Protection Agency (EPA), Federal Energy Regulatory Commission (FERC), Pipeline and Hazardous Materials Safety Administration (PHMSA), and Bureau of Land Management (BLM) – for the same project (or to control the same sources) should be eliminated.

The inability to move energy within the US forces consumers to depend on foreign natural gas during high demand periods. The Administration must call on FERC to reverse its pursuit of pipeline permitting policies that will dramatically hinder the ability to build the energy infrastructure needed to access US resources, make energy more expensive for American families, and impede the permitting of new LNG facilities.

3. **Encourage LNG Exports:** The US Department of Energy should expeditiously work to review and approve US LNG export applications pending before the Department, so that natural gas can be transported and exported. There should be a focus on applications that have already been approved by FERC, or those which do not need FERC approval. In addition to supporting the necessary infrastructure here at home, the Administration should promote utilization of US LNG around the world as a cleaner, more responsible choice to alternative energy sources, and support policies that will encourage building additional import capacity around the globe.
4. **Encourage Capital Investments in American Energy Production:** Our industry is committed to transparency, collaboration, and engagement on climate solutions, but that does not necessarily mean that securities laws are the appropriate context for all climate-related disclosures. The Securities and Exchange Commission should reconsider its burdensome climate disclosure proposal, collaborate with our industry, and build on existing efforts underway to further consistency and comparability of climate-related reporting. And, the Administration should clearly and unequivocally support domestic production of oil and natural gas to show the long-term strategic value of investing in this vital resource.
5. **Relieve Supply Chain Bottlenecks:** The complex and costly process for drilling and completing a new well in the United States takes time and significant resources, even without the challenges we face from supply chain disruptions and labor shortages. There is a great deal of uncertainty right now about everything from storage levels to additional sanctions to how OPEC producers will respond to increased American production. Inflationary costs, labor shortages, and supply chain disruptions are further hindering increased production. In fact, projections show inflationary pressures could lead to 15-20 percent in additional capital spend just to maintain current oil and natural gas production levels and could go even higher. The Biden Administration should rescind steel tariffs that remain on US allies as steel is a critical component of energy production and work with our industry on reducing supply chain bottlenecks.

Thank you for your consideration; we look forward to further discussion.