

January 23, 2023

The Honorable Kevin McCarthy  
Speaker  
United States House of Representatives

The Honorable Charles E. Schumer  
Majority Leader  
United States Senate

The Honorable Hakeem Jefferies  
Minority Leader  
US House of Representatives

The Honorable Mitch McConnell  
Minority Leader  
United States Senate

Dear Speaker McCarthy and Leaders Schumer, McConnell, and Jefferies:

America's leading independent oil and natural gas producers look forward to working with the 118<sup>th</sup> Congress on advancing strong, bipartisan policies to ensure the American people have access to affordable and reliable American energy.

The production of domestic oil and natural gas provides our nation with high-paying jobs, lower-cost energy, greater energy security, and a cleaner environment. America has achieved the greatest emissions reductions in the world because of our Shale Revolution, as natural gas displaced higher-emitting energy sources – without requiring taxpayer funding and while simultaneously providing historically low energy costs to American families and businesses.

In addition to being the world's largest producer of both oil and natural gas, the United States has become a top exporter of crude and the top exporter of liquefied natural gas. American energy alleviates energy poverty around the world, helping other nations achieve greater economic opportunity and prosperity.

The world continues to face a global energy crisis and the need for lower-cost, responsibly sourced, reliable energy has never been more evident. We look forward to working with Members of Congress on the following policies that we believe can unleash American energy production and ensure the United States remains the world leader in energy production, energy exports, and climate leadership:

- **Strengthen our nation's energy infrastructure:** To ensure we can meet growing energy demands while continuing to reduce emissions, Congress should promote infrastructure development and reform the permitting process. Streamlining the National Environmental Policy Act (NEPA) process and ending obstruction of oil and natural gas projects in the permitting process will spur project investment in energy infrastructure. The Biden Administration's interim NEPA guidance on greenhouse gas (GHG) and climate change, however, threatens the permitting of necessary energy infrastructure, including emissions reduction technologies that are critical to a lower-emissions future such as Carbon Capture, Utilization, and Storage (CCUS) and hydrogen. [This newly released guidance](#) creates even greater delays, uncertainty, and legal vulnerability – which could make energy more expensive and less reliable for the American people. To that end, AXPC has outlined [specific upstream permitting reform recommendations](#).
- **Allow access to produce on federal lands:** Amidst the global backdrop of high energy prices and skyrocketing inflation, Congress should ensure that the Biden Administration is supporting access to produce oil and natural gas on federal lands. The US Department of the Interior should hold regular lease sales, as statutorily required by the Mineral Leasing Act. Additionally, permits and Application for Permit to Drill (APD) should be approved in a timely manner. The Biden Administration's historically low federal acreage reduction in leasing,<sup>i</sup> and myriad new regulations, coupled with the omnipresent risk of litigation, create serious challenges for operators working to responsibly develop federal mineral resources.

- **Protect and promote energy exports:** The energy landscape is global and US energy exports are important to our country's role in the market, global security, and our climate leadership in the world. Congress should ensure that American energy producers can continue to export crude oil, refined products, and natural gas to the global markets – which helps keep Americans' energy prices lower and more stable and maintains geopolitical stability. In addition to supporting the necessary infrastructure here at home, policymakers 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. [AXPC's LNG Export Agenda](#) outlines policies that will support and encourage US LNG exports.
- **Increase regulatory certainty:** AXPC member companies often exceed federal regulation standards as part of their efforts to operate safely and efficiently and decrease emissions from upstream operations. Regulatory certainty is important to our ability to grow production and to invest and deploy new technologies that further reduce emissions from our operations. We encourage Congress to engage federal agencies, including US Environmental Protection Agency, the US Department of the Interior, the US Department of Energy, and the Council on Environmental Quality, to ensure federal regulations are technology-neutral, flexible, cost-effective, and not duplicative of other federal and state regulations.
- **Encourage capital investments in American energy production:** Our industry is committed to transparency, collaboration, and engagement on climate solutions, but that does not mean that securities laws are the appropriate context for all climate-related disclosures. Congress should urge the Securities and Exchange Commission to reconsider its burdensome climate disclosure proposal, collaborate with our industry, and allow for voluntary efforts already underway to further consistency and comparability of climate-related reporting.
- **Relieve inflationary pressure and 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 currently from supply chain disruptions and labor shortages. Inflationary costs, labor shortages, and supply chain disruptions are further hindering increased production. Inflationary pressures caused a 30 percent increase in drilling and completing a well from 2021-2022, and the price is expected to be an additional 12 percent higher in 2023. The average shale well cost just \$7.3mn to drill in 2019, but will cost \$9mn this year, according to independent research and business analyst Rystad.<sup>ii</sup>

America's oil and natural gas producers look forward to working with you and your colleagues to further policies and innovative, free-market solutions to reduce Americans' energy prices, support our economy, further our energy security, and reduce global emissions.

Sincerely,



Anne Bradbury  
CEO

American Exploration and Production Council

CC: Members of the US Senate, and Members of the US House of Representatives

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<sup>i</sup> "Federal Oil Leases Slow to a Trickle under Biden," by: Timothy Puko & Anthony DeBarros, The Wall Street Journal (September 2022).  
<https://www.wsj.com/articles/federal-oil-leases-slow-to-a-trickle-under-biden-11662230816>

<sup>ii</sup> "What the end of the US Shale Revolution would mean for the world," by: Derek Brower, Financial Times (January 2023).  
<https://www.ft.com/content/60747b3b-e6ea-47c0-938d-af515816d0f1>