American Exploration & Production Council's

2025 Energy Policy Blueprint

In the new year, the White House and Congress will have the opportunity to unleash the potential of affordable and reliable American energy and reinvigorate our economy and quality of life — from fueling U.S. transportation to powering American defense, hospitals, and schools — all while supporting our emissions reductions goals.

The AXPC's *2025 Energy Policy Blueprint* is a resource for the upcoming 119th Congress and the new presidential administration, offering commonsense legislative solutions that address some of the most pressing issues facing American energy. Check out the ways we can work together in 2025 in order to create a stronger economy, a safer world, a more reliable electricity grid, and a cleaner environment.

AXPC AMERICAN EXPLORATION & PRODUCTION COUNCIL

Modernize the Federal Permitting Process

Topline

From broadband to pipelines, roads, and bridges, the single biggest obstacle to building the infrastructure we need for the future is a broken permitting system. For too long, special interest groups have weaponized the NEPA process to block essential projects in transportation, energy, and conservation.

In order to have "all-the-above" energy solutions, Congress should work to create a modernized, predictable permitting system that reduces the ever-shifting goal lines and alleviates the constant threat of litigation. Streamlining approvals and cutting bureaucratic red tape will fast-track critical infrastructure and unlock domestic energy and resource development.

- **Nebulous, Bloated Environmental Review Process:** Before any infrastructure project is approved in the U.S., it must go through nebulous environmental review processes with ever-shifting goal lines and a constant threat of litigation. America needs a modernized, predictable permitting system.
- **Frivolous NEPA Lawsuits Delay Projects:** According to the DOJ, the National Environmental Policy Act (NEPA) is the most frequently litigated environmental statute. Today's NEPA regulations, recently modified by the Biden-Harris Administration, only made NEPA reviews more obscure and subjective and thus more vulnerable to litigation. At the same time, the lack of a clear, reasonable standard for judicial review makes it more difficult for agencies to defend even good-faith actions. Delays caused by this litigation can stretch for years, adding significant uncertainty and chilling investment for these critically needed projects.

Policy Fixes

- **Pass Comprehensive Permitting Reform:**
  - **Senate Committee on Energy and Natural Resources Chairman Joe Manchin (I-WV) and Ranking Member John Barrasso's (R-WY) Energy Permitting Reform Act:** This bipartisan bill would establish a 150-day statute of limitations from the date of the final agency action on a project, require courts to expedite review of legal challenges, and set a 180-day deadline for federal agencies to act on remanded authorizations.
    The bill also sets a 90-day deadline for DOE to approve or deny LNG export applications for non-Free Trade Agreement countries, with applications being approved if there's no decision within 90 days.
  - **NEPA Reform**: House Committee on Natural Resources Chairman Bruce Westerman (AR-04) released a discussion draft on reforms to the National Environmental Policy Act (NEPA). The draft provides substantive judicial reforms for NEPA-related litigation, including a standard of review for courts to assess those challenges, while offering clarifying definitions and principles to guide the NEPA process.

Unleash U.S. LNG as a Geopolitical Tool

Topline

The new administration should end the current de facto "freeze" on new liquified natural gas (LNG) export approvals. Despite a recent court injunction against President Biden's LNG export freeze, a new administration would have the opportunity to approve much-needed LNG export projects.

- **American Natural Gas Abundance:** The U.S. has a sufficient natural gas supply to keep domestic prices low while supplying our allies and meeting growing global demand.
- **U.S. LNG Provides Geopolitical Leverage:** According to the International Energy Agency (IEA), global demand for natural gas will increase by 41% by 2050. That demand will be either met by the U.S. or our adversaries like Russia and Iran. We should use U.S. LNG as leverage on the world stage to help our allies and prevent our adversaries from extending their influence. If our allies can't rely on America for their energy needs, they'll be forced to turn to nations that do not share our values – and following the administration's LNG freeze, they've begun to do just that.
- **Environmental Benefit:** U.S. LNG is cleaner than foreign sources of natural gas or other higher carbon fuels in international markets like Europe and Asia. As we work towards reducing emissions, if U.S. LNG is not expanding into international markets, foreign countries will fill the void by using higher-carbon fuels.

Policy Fixes

- **Pass Rep. August Pfluger's (TX-11) *Unlocking Our Domestic LNG Potential Act* (H.R. 7176)** to de-politicize LNG export approvals. The bill passed the House and awaits action in the Senate.
- The new administration should re-start LNG export approvals.

Re-Open Federal Land for Energy Production

Topline

The new administration must increase leasing for new oil and natural gas production on federal lands. Limiting domestic energy exploration through burdensome regulations and putting roadblocks in front of taxpayer-owned energy resources only worsens Americans' concerns about energy prices.

- **Record Low Leases:** Oil and gas development cannot happen without leases. Despite growing demand for oil and natural gas, the Biden-Harris Administration has issued significantly fewer federal oil and gas leases than were issued by past administrations of both parties, at times even deferring or cancelling lease sales in defiance of Congressional mandates in statute. In 2023, the administration announced leases of only 161,000 acres of federal land. For context:
  - The Obama administration averaged 1.35 million acres per year.
  - The Trump administration averaged 1.27 million acres per year.
- **It's Not Either/Or:** Federal land under the jurisdiction of the Bureau of Land Management (BLM) is supposed to be used for the economic benefit of the taxpayer who owns them. We can be leaders in energy production while also being good stewards of the environment and recreational land at the same time.
- **Bypassing Congressional Approval:** The American people deserve both responsible management of federal lands and energy production, but damaging rules like the BLM's so-called Conservation and Landscape Health Rule is nothing more than an attempt to bypass Congress and prioritize non-use of these lands, preventing responsible mineral development.

Policy Fixes

- **Pass Rep. John Curtis' (UT-03) WEST Act:** This bill would ensure that the Bureau cannot implement the so-called Conservation and Landscape Health Rule. The WEST Act passed the House and awaits action in the Senate.
- The new administration should uphold statutory requirements to lease more federal acreage for energy development.

Protect Americans' Wallets through Tax & Fiscal Policies

Topline

In the competitive global energy marketplace, American-made energy can out-compete anyone, we just need to encourage production, rather than enact self-imposed economic headwinds.

- **Protect Americans from Energy Tax Hikes:** In an era of persistent inflation, we should make it easier, not harder, to responsibly produce energy here at home. If greater taxes, fees, tariffs, or other irresponsible fiscal policies are put on the American energy industry, it could threaten production levels. That, in turn, could hurt American families with higher costs.

Policy Fixes

- **Preserve the immediate cost-recovery deduction for Intangible Drilling Costs (IDCs) generally to maintain more investment, more production, more jobs, and lower energy costs.**
- **Pass Rep. Mike Carey (OH-14) and Rep. Vicente Gonzalez's (TX-34) *Promoting Domestic Energy Production Act* (H.R.5073) and Sen. James Lankford's (R-OK) companion bill (S.3381).**
  - These bills would allow U.S. energy producers to immediately deduct their IDCs when subject to the CAMT – other industries already have this deduction.
- **Maintain the current corporate tax rate to ensure that American companies can thrive in a competitive global marketplace.**

Fix Regulations, Especially on Methane

Topline

America leads the world in greenhouse gas emissions reduction, with nearly 60 percent of U.S. reductions occurring as a result of natural gas displacing higher emitting fuels within the power sector. In order to continue responsibly lowering emissions while producing the energy America and the world needs, we need smart, workable regulations, especially when it comes to methane. Burdensome regulations, like parts of the methane rule or the IRA's methane tax, are damaging to our economy and must be repealed.

- **American Technological Ingenuity:** The federal government should enact pragmatic regulations that support American ingenuity and encourage innovation and flexibility. Technology is our greatest asset, and we need to incentivize technologies to monitor and mitigate methane emissions. Instead, command-and-control regulations are restricting innovation and hindering the goal of reducing methane emissions.
- **Implement Practical Rules:** Regulations should be workable and implementable in the real world; and should work cohesively together, while balancing the cost with the benefits. Policies should be fair, not punitive to one industry or one part of an industry.
- **Federal-State Alignment:** We must work to avoid creating duplicative and overlapping regulatory regimes at both federal and state levels.
- **Methane Tax:** The methane tax is a punitive fee that raises costs on American energy production and ignores significant investment by producers to identify, mitigate, and reduce U.S. emissions.

Policy Fixes

- **Pass Rep. August Pfluger's (TX-11) *Natural Gas Tax Repeal Act* (H.R. 1141) and Senator Ted Cruz's (R-TX) companion bill (S.4405)**
- EPA should modify its methane regulations and implementation to encourage innovation and facilitate meaningful exemption pathways directed by Congress.