118TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
118–405

BRINGING RELIABLE INVESTMENT INTO DOMESTIC GULF ENERGY PRODUCTION ACT OF 2023

MARCH 5, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WESTERMAN, from the Committee on Natural Resources, submitted the following

REPORT

together with

DISSENTING VIEWS

[To accompany H.R. 5616]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 5616) to require the Secretary of the Interior to conduct certain offshore lease sales, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bringing Reliable Investment into Domestic Gulf Energy Production Act of 2023" or the "BRIDGE Production Act of 2023".

SEC. 2. OFFSHORE OIL AND GAS LEASE SALES.

(a) DEFINITIONS.—In this section:

(1) OFFSHORE LEASE SALE.—The term "offshore lease sale" means an oil and gas lease sale—

(A) that is held by the Secretary in accordance with the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), notwithstanding the requirements of section 18 of that Act (43 U.S.C. 1344);

(B) that, with respect to lease sales in the Gulf of Mexico region, offers the same lease form, lease terms, economic conditions, and stipulations as contained in the final notice of sale entitled "Gulf of Mexico Outer Continental Shelf Oil and Gas Lease Sale 257" (86 Fed. Reg. 54728 (October 4, 2021)); and

(C) that, if any acceptable bids have been received for any tract offered in the lease sale, results in the issuance of leases within 90 days of the sale to the highest bids on the tracts offered, subject to the Bureau of Ocean Energy Management "Summary of Procedures for Determining Bid Adequacy at Offshore Oil and Gas Lease Sales Effective March 2016, with Central Gulf of Mexico Sale 241 and Eastern Gulf of Mexico Sale 226".

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(b) WAIVER.—The Secretary may waive any other requirements under section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) that would delay final approval of an offshore lease sale under subsection (c).

(c) REQUIREMENT.—Notwithstanding section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344), the Secretary shall—

(1) conduct not fewer than 13 offshore lease sales during the 5-year period beginning on the date of enactment of this Act, including 10 lease sales in the Gulf of Mexico region and 3 lease sales in the Cook Inlet Planning Area, notwithstanding lease sales which are held under the 2024–2029 Proposed Final Program (88 Fed. Reg. 67798 (October 2, 2023)); and

(2) ensure that the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Program Final Programmatic Environmental Impact Statement and Record of Decision shall apply to lease sales conducted under this subsection and shall be sufficient for purposes of complying with the National Environmental Policy Act for offshore lease sales conducted under this subsection to the extent it does not conflict with this Act.

(d) TIMING.—

(1) GULF OF MEXICO REGION.—In conducting the offshore lease sales in the Gulf of Mexico region required under subsection (c), the Secretary shall conduct an offshore lease sale not later than—

(A) March 31, 2024;
(B) August 31, 2024;
(C) March 31, 2025;
(D) August 31, 2025;
(E) March 31, 2026;
(F) August 31, 2026;
(G) March 31, 2027;
(H) August 31, 2027;
(I) March 31, 2028; and
(J) August 31, 2028.

(2) COOK INLET PLANNING AREA.—In conducting the offshore lease sales in the Cook Inlet Planning Area required under subsection (c), the Secretary shall conduct an offshore lease sale not later than—

(A) August 31, 2025;
(B) March 31, 2027; and
(C) August 31, 2028.

(e) AREA OFFERED FOR LEASE.—

(1) ACREAGE.—The Secretary shall offer not fewer than 80,000,000 acres for each offshore lease sale conducted under subsection (c) for offshore lease sales in the Gulf of Mexico Region. The Secretary shall offer not fewer than 1,000,000 acres for each region wide lease sale conducted under subsection (c) in the Cook Inlet Planning Area.

(2) LOCATION.—An offshore lease sale conducted under subsection (c)—

(A) in the Gulf of Mexico region shall offer the areas identified in Figure S–1 of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program published on November 18, 2016, by the Bureau of Ocean Energy Management (as announced in the notice of availability of the Bureau of Ocean Energy Management entitled "Notice of Availability of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program" (81 Fed. Reg. 84612 (November 23, 2016))); and

(B) in the Cook Inlet Planning Area shall offer the areas identified in Figure S–2 of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program published on November 18, 2016, by the Bureau of Ocean Energy Management (as announced in the notice of availability of the Bureau of Ocean Energy Management entitled "Notice of Availability of the 2017–2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program" (81 Fed. Reg. 84612 (November 23, 2016))).

(f) EFFECT OF LITIGATION.—

(1) IN GENERAL.—A civil action challenging an offshore lease sale conducted under this section shall not—

(A) affect the validity of any lease issued under such an offshore lease sale; and

(B) except as provided in paragraph (3)(B), cause a delay in the timelines for the consideration of any exploration plan, development plan, development operations coordination document, applications for permit to drill, or other application for a Federal agency authorization or approval for activities on a lease issued under such an offshore lease sale.

(2) REMAND; PROCESSING OF APPROVALS AND APPLICATIONS.—If, in a civil action described in paragraph (1), a court finds that the offshore lease sale was not carried out in compliance with Federal law—

(A) the court shall not—

(i) set aside, vacate, or enjoin the offshore lease sale;

(ii) set aside, vacate, or enjoin the leases issued pursuant to the offshore lease sale; or

(iii) enjoin the Secretary from issuing leases to the highest bidders in the challenged offshore lease sale;

(B) the court shall remand the matter to the Secretary and require the Secretary to correct the noncompliance; and

(C) the Secretary shall continue to process all exploration plans, development plans, development operations coordination documents, applications for a permit to drill, and other applications for a Federal agency authorization or other approval for activities requested under any lease issued under the challenged offshore lease sale in accordance with the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.).

(3) NOTICE.—

(A) IN GENERAL.—Not later than 10 days after the date on which a civil action described in paragraph (1) is served on the United States, the Secretary shall notify the holder of any lease issued, or apparent high bidder if the lease has not yet been issued, under the offshore lease sale that is the subject of the civil action of the filing of the civil action.

(B) TIMELINE.—Not later than 90 days after the date of receipt of a notice under subparagraph (A), the holder of the lease may file with the Secretary, and the Secretary may approve, a request to pause the timeline with respect to the term of the lease during any period in which the civil action is pending.

PURPOSE OF THE LEGISLATION

The purpose of H.R. 5616 is to require the Secretary of the Interior to conduct certain offshore lease sales.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 5616 would require the Bureau of Ocean Energy Management (BOEM) to hold two offshore lease sales in the Gulf of Mexico in 2024 and 2025. Rep. Graves offered an amendment in nature of a substitute during Committee markup to add two sales in the years 2026, 2027 and 2028 to address anticipated deficiencies in BOEM's proposed 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program (proposed 2024–2029 Program).[1] BOEM's proposed 2024–2029 Program only included three potential sales in the Gulf of Mexico over five years and no sales in Alaska, which is the lowest number of sales in the history of the offshore leasing program.

At the time of the Committee's consideration of H.R. 5616, BOEM had not adequately planned to hold lease sales in 2024 and 2025. BOEM was not on track to hold any offshore lease sales in 2024, and scheduling sales appeared unlikely in 2025 due to lengthy review processes anticipated under the National Environmental Policy Act (NEPA). The delays in the lease sale planning process, combined with the Biden administration's decision to propose only three sales in the proposed 2024–2029 Program compared to the 47 sales considered in the initial planning phases, created

[1] Bureau of Ocean Energy Management, 2024–2029 National OCS Oil and Gas Leasing Proposed Final Program, September 2023. https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/2024–2029NatOCSOilGasLeasing_FinalPEISVol1.pdf.

uncertainty about the U.S.'s long-term energy strategy in the Gulf of Mexico (GOM) and Alaska.

During the Committee markup, an amendment was accepted to add three sales in Alaska's Cook Inlet. To ensure certainty for bidders and that robust sales are held, the bill also requires that BOEM offer the same lease form, terms, economic conditions, and stipulations utilized for Lease Sale 257, as well as the bid adequacy procedures made effective March 8, 2016. Additionally, the bill addresses legal challenges to offshore lease sales, ensuring that such actions do not invalidate leases, the sale or cause undue delays.

BOEM released the final 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program (2024–2029 Program) nearly two years late. Consistent with the proposed 2024–2029 Proposed Final Program, the final 2024–2029 Program includes only three potential sales in the Gulf of Mexico planning area and contains no new lease sales in Alaska. The Biden administration's Record of Decision for the 2024–2029 Program was published 18 months after the previous plan *expired* and will become effective on July 1, 2024.[2] This timing ensures a two-year gap between the 2017–2022 leasing program and the 2024–2029 Program, marking a significant shift from any previous administration's stance. This delay guarantees no offshore oil and gas lease sales in 2024 and raises uncertainty about the possibility of sales in 2025 under the Biden administration.

COMMITTEE ACTION

H.R. 5616 was introduced on September 21, 2023, by Rep. Garret Graves (R–LA). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On September 28, 2023, the Subcommittee on Energy and Mineral Resources held a hearing on the bill. On October 25–26, 2023, the Committee on Natural Resources met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged from further consideration of H.R. 5616 by unanimous consent. Rep. Graves (R–LA) offered an amendment in the nature of a substitute designated Graves_077 ANS. Rep. Pete Stauber (R–MN) offered an amendment to the amendment in the nature of a substitute designated Stauber_01. The amendment was adopted by a roll call vote of 21 yeas to 17 nays, as follows:

[2] U.S. Department of the Interior, Oil and Gas Energy, Decision Memo, Signed National Program, Record of Decision—December 14, 2023 https://www.boem.gov/sites/default/files/documents/oil-gas-energy/Decision-Memo-National-Program-SIGNED.pdf.

Committee on Natural Resources
U.S. House of Representatives
118th Congress

Date: October 26, 2023

Roll Call# 1

Meeting on / Amendment: **Stauber_01 to Graves_077 ANS to H.R. 5616 (Rep. Graves of Louisiana),** *"BRIDGE Production Act of 2023"*

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Westerman, AR, Chairman	X			*Mr. Grijalva, AZ, Ranking*		X	
Mr. Lamborn, CO	X			*Ms. Napolitano, CA*		X	
Mr. Wittman, VA	X			*Mr. Sablan, CNMI*		X	
Mr. McClintock, CA	X			*Mr. Huffman, CA*		X	
Mr. Gosar, AZ	X			*Mr. Gallego, AZ*			
Mr. Graves, LA	X			*Mr. Neguse, CO*		X	
Mrs. Radewagen, AS	X			*Mr. Levin, CA*		X	
Mr. LaMalfa, CA	X			*Ms. Porter, CA*		X	
Mr. Webster, FL	X			*Ms. Leger Fernandez, NM*		X	
Ms. González-Colón, PR	X			*Ms. Stansbury, NM*		X	
Mr. Fulcher, ID	X			*Mrs. Peltola, AK*	X		
Mr. Stauber, MN	X			*Ms. Ocasio-Cortez, NY*		X	
Mr. Curtis, UT				*Mr. Mullin, CA*		X	
Mr. Tiffany, WI	X			*Ms. Hoyle, OR*		X	
Mr. Carl, AL	X			*Ms. Kamlager-Dove, CA*		X	
Mr. Rosendale, MT	X			*Mr. Magaziner, RI*		X	
Mrs. Boebert, CO	X			*Ms. Velázquez, NY*			
Mr. Bentz, OR	X			*Mr. Case, HI*		X	
Ms. Kiggans, VA				*Mrs. Dingell, MI*		X	
Mr. Moylan, Guam				*Ms. Lee, NV*		X	
Mr. Hunt, TX							
Mr. Collins, GA	X						
Ms. Luna, FL							
Mr. Duarte, CA	X						
Ms. Hageman, WY	X						
				TOTAL:	21	17	

Rep. Jared Huffman (D–CA) offered an amendment to the amendment in the nature of a substitute designated Huffman #1. The amendment was not adopted by a roll call vote of 18 yeas to 20 nays, as follows:

Committee on Natural Resources
U.S. House of Representatives
118th Congress

Date: October 26, 2023 Roll Call# 2

Meeting on / Amendment: **Huffman #1 to Graves_077 ANS to H.R. 5616 (Rep. Graves of Louisiana),** *"BRIDGE Production Act of 2023"*

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Westerman, AR, Chairman		X		*Mr. Grijalva, AZ, Ranking*	X		
Mr. Lamborn, CO		X		*Ms. Napolitano, CA*	X		
Mr. Wittman, VA		X		*Mr. Sablan, CNMI*	X		
Mr. McClintock, CA		X		*Mr. Huffman, CA*	X		
Mr. Gosar, AZ		X		*Mr. Gallego, AZ*			
Mr. Graves, LA		X		*Mr. Neguse, CO*	X		
Mrs. Radewagen, AS		X		*Mr. Levin, CA*	X		
Mr. LaMalfa, CA		X		*Ms. Porter, CA*	X		
Mr. Webster, FL		X		*Ms. Leger Fernandez, NM*	X		
Ms. González-Colón, PR		X		*Ms. Stansbury, NM*	X		
Mr. Fulcher, ID		X		*Mrs. Peltola, AK*	X		
Mr. Stauber, MN		X		*Ms. Ocasio-Cortez, NY*	X		
Mr. Curtis, UT				*Mr. Mullin, CA*	X		
Mr. Tiffany, WI		X		*Ms. Hoyle,OR*	X		
Mr. Carl, AL		X		*Ms. Kamlager-Dove, CA*	X		
Mr. Rosendale, MT		X		*Mr. Magaziner, RI*	X		
Mrs. Boebert, CO		X		*Ms. Velázquez, NY*			
Mr. Bentz, OR		X		*Mr. Case, HI*	X		
Ms. Kiggans, VA				*Mrs. Dingell, MI*	X		
Mr. Moylan, Guam				*Ms. Lee, NV*	X		
Mr. Hunt, TX							
Mr. Collins, GA		X					
Ms. Luna, FL							
Mr. Duarte, CA		X					
Ms. Hageman, WY		X					
				TOTAL:	18	20	

Rep. Sydney Kamlager-Dove (D–CA) offered an amendment to the amendment in the nature of a substitute designated Kamlager-Dove #2. The amendment was not adopted by a roll call vote of 18 yeas to 21 nays, as follows:

Committee on Natural Resources
U.S. House of Representatives
118th Congress

Date: October 26, 2023 Roll Call# 3

Meeting on / Amendment: **Kamlager-Dove #2 to Graves_077 ANS to H.R. 5616 (Rep. Graves of Louisiana),** *"BRIDGE Production Act of 2023"*

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Westerman, AR, Chairman		X		*Mr. Grijalva, AZ, Ranking*	X		
Mr. Lamborn, CO		X		*Ms. Napolitano, CA*	X		
Mr. Wittman, VA		X		*Mr. Sablan, CNMI*	X		
Mr. McClintock, CA		X		*Mr. Huffman, CA*	X		
Mr. Gosar, AZ		X		*Mr. Gallego, AZ*			
Mr. Graves, LA		X		*Mr. Neguse, CO*	X		
Mrs. Radewagen, AS		X		*Mr. Levin, CA*	X		
Mr. LaMalfa, CA		X		*Ms. Porter, CA*	X		
Mr. Webster, FL		X		*Ms. Leger Fernandez, NM*	X		
Ms. González-Colón, PR		X		*Ms. Stansbury, NM*	X		
Mr. Fulcher, ID		X		*Mrs. Peltola, AK*	X		
Mr. Stauber, MN		X		*Ms. Ocasio-Cortez, NY*	X		
Mr. Curtis, UT				*Mr. Mullin, CA*	X		
Mr. Tiffany, WI		X		*Ms. Hoyle, OR*	X		
Mr. Carl, AL		X		*Ms. Kamlager-Dove, CA*	X		
Mr. Rosendale, MT		X		*Mr. Magaziner, RI*	X		
Mrs. Boebert, CO		X		*Ms. Velázquez, NY*			
Mr. Bentz, OR		X		*Mr. Case, HI*	X		
Ms. Kiggans, VA		X		*Mrs. Dingell, MI*	X		
Mr. Moylan, Guam				*Ms. Lee, NV*	X		
Mr. Hunt, TX							
Mr. Collins, GA		X					
Ms. Luna, FL							
Mr. Duarte, CA		X					
Ms. Hageman, WY		X					
				TOTAL:	18	21	

Rep. Debbie Dingell (D–MI) offered an amendment to the amendment in the nature of a substitute designated Dingell #3. The amendment was not adopted by a roll call vote of 18 yeas to 21 nays, as follows:

Committee on Natural Resources
U.S. House of Representatives
118th Congress

Date: October 26, 2023

Roll Call# 4

Meeting on / Amendment: **Dingell #3 to Graves_077 ANS to H.R. 5616 (Rep. Graves of Louisiana),** *"BRIDGE Production Act of 2023"*

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Westerman, AR, Chairman		X		*Mr. Grijalva, AZ, Ranking*	X		
Mr. Lamborn, CO		X		*Ms. Napolitano, CA*	X		
Mr. Wittman, VA		X		*Mr. Sablan, CNMI*	X		
Mr. McClintock, CA		X		*Mr. Huffman, CA*	X		
Mr. Gosar, AZ		X		*Mr. Gallego, AZ*			
Mr. Graves, LA		X		*Mr. Neguse, CO*	X		
Mrs. Radewagen, AS		X		*Mr. Levin, CA*	X		
Mr. LaMalfa, CA		X		*Ms. Porter, CA*	X		
Mr. Webster, FL		X		*Ms. Leger Fernandez, NM*	X		
Ms. González-Colón, PR		X		*Ms. Stansbury, NM*	X		
Mr. Fulcher, ID		X		*Mrs. Peltola, AK*	X		
Mr. Stauber, MN		X		*Ms. Ocasio-Cortez, NY*	X		
Mr. Curtis, UT				*Mr. Mullin, CA*	X		
Mr. Tiffany, WI		X		*Ms. Hoyle, OR*	X		
Mr. Carl, AL		X		*Ms. Kamlager-Dove, CA*	X		
Mr. Rosendale, MT		X		*Mr. Magaziner, RI*	X		
Mrs. Boebert, CO		X		*Ms. Velázquez, NY*			
Mr. Bentz, OR		X		*Mr. Case, HI*	X		
Ms. Kiggans, VA		X		*Mrs. Dingell, MI*	X		
Mr. Moylan, Guam				*Ms. Lee, NV*	X		
Mr. Hunt, TX							
Mr. Collins, GA		X					
Ms. Luna, FL							
Mr. Duarte, CA		X					
Ms. Hageman, WY		X					
				TOTAL:	18	21	

Rep. Jared Huffman (D–CA) offered an amendment to the amendment in the nature of a substitute designated Huffman #4. The amendment was not adopted by a roll call vote of 18 yeas to 21 nays, as follows:

Committee on Natural Resources
U.S. House of Representatives
118th Congress

Date: October 26, 2023 Roll Call# 5

Meeting on / Amendment: **Huffman #4 to Graves_077 ANS to H.R. 5616 (Rep. Graves of Louisiana),** *"BRIDGE Production Act of 2023"*

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Westerman, AR, Chairman		X		*Mr. Grijalva, AZ, Ranking*	X		
Mr. Lamborn, CO		X		*Ms. Napolitano, CA*	X		
Mr. Wittman, VA		X		*Mr. Sablan, CNMI*	X		
Mr. McClintock, CA		X		*Mr. Huffman, CA*	X		
Mr. Gosar, AZ		X		*Mr. Gallego, AZ*			
Mr. Graves, LA		X		*Mr. Neguse, CO*	X		
Mrs. Radewagen, AS		X		*Mr. Levin, CA*	X		
Mr. LaMalfa, CA		X		*Ms. Porter, CA*	X		
Mr. Webster, FL		X		*Ms. Leger Fernandez, NM*	X		
Ms. González-Colón, PR		X		*Ms. Stansbury, NM*	X		
Mr. Fulcher, ID		X		*Mrs. Peltola, AK*	X		
Mr. Stauber, MN		X		*Ms. Ocasio-Cortez, NY*	X		
Mr. Curtis, UT				*Mr. Mullin, CA*	X		
Mr. Tiffany, WI		X		*Ms. Hoyle, OR*	X		
Mr. Carl, AL		X		*Ms. Kamlager-Dove, CA*	X		
Mr. Rosendale, MT		X		*Mr. Magaziner, RI*	X		
Mrs. Boebert, CO		X		*Ms. Velázquez, NY*			
Mr. Bentz, OR		X		*Mr. Case, HI*	X		
Ms. Kiggans, VA		X		*Mrs. Dingell, MI*	X		
Mr. Moylan, Guam				*Ms. Lee, NV*	X		
Mr. Hunt, TX							
Mr. Collins, GA		X					
Ms. Luna, FL							
Mr. Duarte, CA		X					
Ms. Hageman, WY		X					
				TOTAL:	18	21	

The amendment in the nature of a substitute, as amended, was adopted by voice vote. H.R. 5616, as amended, was ordered favorably reported to the House of Representatives by a roll call vote of 22 yeas to 17 nays, as follows:

Committee on Natural Resources
U.S. House of Representatives
118th Congress

Date: October 26, 2023 Roll Call# 6

Meeting on / Amendment: **On Favorably Reporting, as amended, H.R. 5616 (Rep. Graves of Louisiana),** *"BRIDGE Production Act of 2023"*

MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Westerman, AR, Chairman	X			*Mr. Grijalva, AZ, Ranking*		X	
Mr. Lamborn, CO	X			*Ms. Napolitano, CA*		X	
Mr. Wittman, VA	X			*Mr. Sablan, CNMI*		X	
Mr. McClintock, CA	X			*Mr. Huffman, CA*		X	
Mr. Gosar, AZ	X			*Mr. Gallego, AZ*			
Mr. Graves, LA	X			*Mr. Neguse, CO*		X	
Mrs. Radewagen, AS	X			*Mr. Levin, CA*		X	
Mr. LaMalfa, CA	X			*Ms. Porter, CA*		X	
Mr. Webster, FL	X			*Ms. Leger Fernandez, NM*		X	
Ms. González-Colón, PR	X			*Ms. Stansbury, NM*		X	
Mr. Fulcher, ID	X			*Mrs. Peltola, AK*	X		
Mr. Stauber, MN	X			*Ms. Ocasio-Cortez, NY*		X	
Mr. Curtis, UT				*Mr. Mullin, CA*		X	
Mr. Tiffany, WI	X			*Ms. Hoyle,OR*		X	
Mr. Carl, AL	X			*Ms. Kamlager-Dove, CA*		X	
Mr. Rosendale, MT	X			*Mr. Magaziner, RI*		X	
Mrs. Boebert, CO	X			*Ms. Velázquez, NY*			
Mr. Bentz, OR	X			*Mr. Case, HI*		X	
Ms. Kiggans, VA	X			*Mrs. Dingell, MI*		X	
Mr. Moylan, Guam				*Ms. Lee, NV*		X	
Mr. Hunt, TX							
Mr. Collins, GA	X						
Ms. Luna, FL							
Mr. Duarte, CA	X						
Ms. Hageman, WY	X						
				TOTAL:	22	17	

HEARINGS

For the purposes of clause 3(c)(6) of House rule XIII, the following hearing was used to develop or consider this measure: hearing by the Subcommittee on Energy and Mineral Resources held on September 28, 2023.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 establishes the short title of the bill as the "Bringing Reliable Investment into Domestic Gulf Energy Production Act of 2023" or the "BRIDGE Production Act of 2023."

Section 2. Offshore oil and gas lease sales

Section 2(a) defines the terms "offshore lease sale" and "Secretary."

Section 2(b) allows the Secretary to waive certain requirements to expedite the lease sale process.

Section 2(c) requires the Secretary to conduct 13 offshore lease sales within a 5-year period and specifically requires 10 lease sales in the Gulf of Mexico region and 3 lease sales in the Cook Inlet Planning Area.

Section 2(d) establishes deadlines for conducting offshore lease sales in the Gulf of Mexico region and the Cook Inlet Planning Area.

Section 2(e) specifies the acreage to be offered for each offshore lease sale in these regions.

Section 2(f) addresses potential legal challenges to offshore lease sales, ensuring such actions do not invalidate leases or cause undue delays.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. *Cost of Legislation and the Congressional Budget Act.* With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

At a Glance

H.R. 5616, BRIDGE Production Act of 2023
As ordered reported by the House Committee on Natural Resources on October 26, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	-1,190	-4,200
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	-1,190	-4,200
Spending Subject to Appropriation (Outlays)	*	19	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and $500,000.

The bill would:

- Require the Bureau of Ocean Energy Management (BOEM) to conduct at least 13 offshore oil and gas lease sales during the next five years

Estimated budgetary effects would mainly stem from:

- Increases in offsetting receipts, which are treated as decreases in direct spending, from payments stemming from the leases

Areas of significant uncertainty include:

- Identifying whether BOEM would hold additional offshore wind lease sales
- Projecting the number of new oil and gas leases that would be issued under the bill
- Estimating the total amount of oil or gas that would be produced from new leases
- Predicting future prices of oil and gas

Bill summary: H.R. 5616 would require the Bureau of Ocean Energy Management (BOEM) to conduct at least 13 offshore oil and gas lease sales on the Outer Continental Shelf (OCS), including 10 in the Gulf of Mexico and 3 in Alaska's Cook Inlet Planning Area over the five-year period following enactment.

Estimated Federal cost: The estimated budgetary effect of H.R. 5616 is shown in Table 1. The costs of the legislation fall within budget functions 300 (natural resources and environment) and 950 (undistributed offsetting receipts).

TABLE 1.—ESTIMATED DECREASES IN DIRECT SPENDING UNDER H.R. 5616

	By fiscal year, millions of dollars—												
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024–2029	2024–2034
Bonus Bids:													
Estimated Budget Authority	0	−60	−260	−210	−260	−210	0	0	0	0	0	−1,000	−1,000
Estimated Outlays	0	−60	−260	−210	−260	−210	0	0	0	0	0	−1,000	−1,000
Rent Payments:													
Estimated Budget Authority	0	*	−5	−5	−10	−10	−5	−5	−5	−5	*	−30	−50
Estimated Outlays	0	*	−5	−5	−10	−10	−5	−5	−5	−5	*	−30	−50
Royalty Payments:													
Estimated Budget Authority	0	0	0	0	−20	−140	−310	−490	−690	−740	−760	−160	−3,150
Estimated Outlays	0	0	0	0	−20	−140	−310	−490	−690	−740	−760	−160	−3,150
Total Decreases:													
Estimated Budget Authority	0	−60	−265	−215	−290	−360	−315	−495	−695	−745	−760	−1,190	−4,200
Estimated Outlays	0	−60	−265	−215	−290	−360	−315	−495	−695	−745	−760	−1,190	−4,200

* = between −$500,000 and zero.

Basis of estimate: For this estimate, CBO assumes that H.R. 5616 will be enacted during 2024. The estimates are based on the economic and technical assumptions underlying CBO's February 2024 baseline projections, which incorporates the assumption that BOEM will implement its current plan for oil and gas leasing on the OCS.[1]

Background: Federally owned energy resources are developed under a leasing system that requires companies to bid on tracts of OCS land. Winning bidders make payments called bonus bids when leases are issued, pay annual rent on nonproducing leases, and pay royalties or fees on the value of any oil, gas, or electricity produced from the leased land. Those payments are recorded in the budget as offsetting receipts, which are treated as reductions in direct spending.

In September 2023, BOEM released its five-year plan for holding oil and gas lease sales for OCS land during the 2024–2029 period. BOEM is required to issue a forward-looking leasing schedule pursuant to the Outer Continental Shelf Lands Act; any significant revision to that schedule requires a rulemaking and consultation process. Under the current five-year plan, the agency intends to hold three lease sales in the Gulf of Mexico: one each in 2025, 2027, and 2029. The plan does not include any lease sales in the Alaska OCS.

Direct spending: CBO estimates that enacting H.R. 5616 would increase offsetting receipts by about $4.2 billion over the 2024–2034 period, stemming from additional collections of bonus bids, rents, and royalties.

Bonus Bids. Under the bill, BOEM would need to hold 10 additional offshore oil and gas lease sales by the middle of fiscal year 2029, including 7 in the Gulf of Mexico and 3 in the Cook Inlet Planning Area of Alaska's OCS. Because planning and executing a lease sale takes between six months and two years, CBO expects that the two new oil and gas lease sales required in 2024 under the bill would occur in later years.

From 2025 to 2029, CBO expects BOEM would hold two additional oil and gas lease sales in the Gulf of Mexico each year. As specified in the bill, CBO expects that BOEM would hold lease sales in the Cook Inlet Planning Area in 2025, 2027, and 2028. Based on the recent history of bonus bid collections per oil and gas lease sale, CBO expects that offsetting receipts from additional bonus bids would increase by $700 million over the 2024–2034 period.

Under the 2022 reconciliation legislation (Public Law 117–169), for BOEM to hold a lease sale for offshore wind in any year, the agency must have held an offshore oil and gas lease sale in the preceding year. Because H.R. 5616 would add oil and gas lease sales in 2026 and 2028 (which are not expected in CBO's February 2024 baseline), BOEM could hold wind lease sales in 2027 and 2029 under the bill. Based on the recent history of bonus bid collections per wind lease sale, CBO expects that BOEM would collect $600 million in bonus bids from two additional wind lease sales. However, because BOEM is not mandated to hold offshore wind sales

[1] See Bureau of Ocean Energy Management, *2024–2029 National Outer Continental Shelf Oil and Gas Leasing: Proposed Final Program* (September 2023), http://tinyurl.com/52s8k96w.

the year after an offshore oil and gas sale, CBO cannot predict whether BOEM would choose to hold such sales in 2027 and 2029. Therefore, CBO applies a 50 percent probability that additional wind lease sales would be held in those years. On that basis, we estimate that offsetting receipts from bonus bids for wind lease sales would increase by $300 million over the 2024–2034 period.

In total, CBO estimates that BOEM would collect $1 billion in additional bonus bids over the 2024–2034 period.

Rent payments. CBO expects that all leaseholders pay rent in the year of the sale, with declining numbers of leaseholders paying rent in subsequent years. Using historical information about the percentage of leaseholders that do not produce oil, gas, or electricity in the years following a lease sale, CBO estimates that offsetting receipts from additional rent payments would increase by $50 million over the 2024–2034 period.

Royalty payments. Under current law, BOEM collects royalties on oil and gas produced on leased land at a percentage the agency specifies in the lease sale. Based on royalty rates set in recent lease sales, CBO expects that oil and gas produced on land newly leased under H.R. 5616 would have a royalty rate of 18.75 percent.

Using information about the number of new deepwater and shallow water leases that have produced oil and gas in recent years, CBO expects that new lease sales under the bill would yield about 20 new deepwater leases and four new shallow water leases that would produce oil and gas. CBO expects that those leaseholders would, on average, begin producing oil and gas three years after acquiring the lease and would continue producing for decades into the future. On that basis, CBO estimates that under the bill offsetting receipts from royalty payments would increase by about $3.2 billion over the 2024–2034 period.

CBO expects that royalties stemming from new wind leases would not be collected until after 2034.

Spending subject to appropriation: Using information from BOEM, CBO estimates that it would cost $19 million over the 2024–2029 period for the agency to hold 10 additional lease sales (see Table 2). That amount would support about six additional employees annually as well as specialized software applications and subsurface data acquisitions. Any spending would be subject to the availability of appropriated funds.

TABLE 2.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 5616

	By fiscal year, millions of dollars—						
	2024	2025	2026	2027	2028	2029	2024–2029
Estimated Authorization	*	4	4	4	4	4	20
Estimated Outlays	*	3	4	4	4	4	19

* = between zero and $500,000.

Uncertainty: CBO's estimates of the amount of offsetting receipts that would be collected from new offshore energy leases under H.R. 5616 are uncertain.

Whether BOEM would hold additional offshore wind lease sales under the bill is uncertain. Current law requires BOEM to hold an oil and gas lease sale in the year immediately before an offshore wind sale. However, BOEM is not required to hold a wind lease sale in the year following an oil and gas lease sale. Therefore, CBO assigns a 50 percent probability that BOEM would hold wind sales in 2027 and 2029 under the bill. Depending on whether BOEM chooses to hold such sales under the bill, offsetting receipts from bonus bids would be higher or lower than CBO estimated.

CBO's estimated offsetting receipts stemming from oil and gas leases under the bill also are subject to uncertainty. Specific sources of uncertainty include:

- The total number of leases that would be issued under the OCS sales required in the bill, which depend on private interest in leasing for oil and gas in the Gulf of Mexico and Alaska;
- The total amount of oil or gas that would be produced from OCS land leased under the bill, which depends on the technical and economic characteristics of each tract of land leased; and
- Future oil or gas prices, which depend on future market conditions and would affect royalties and bonus payments for offshore leases.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 3.

TABLE 3.—CBO'S ESTIMATE OF THE STATUTORY PAY-AS-YOU-GO EFFECTS OF H.R. 5616, THE BRIDGE PRODUCTION ACT OF 2023, AS ORDERED REPORTED BY THE HOUSE COMMITTEE NATURAL RESOURCES ON OCTOBER 26, 2023

	By fiscal year, millions of dollars—												
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024–2029	2024–2034
NET DECREASE IN THE DEFICIT													
Pay-As-You-Go Effect	−0	−60	−265	−215	−290	−360	−315	−495	−695	−745	−760	−1,190	−4,200

Increase in long-term net direct spending and deficits: CBO estimates that enacting H.R. 5616 would not increase net direct spending or deficits in any of the four consecutive 10-year periods beginning in 2035.

Mandates: The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

Estimate prepared by: Federal costs: David Hughes; Mandates: Rachel Austin.

Estimate reviewed by: Robert Reese, Chief, Natural and Physical Resources Cost Estimates Unit; Kathleen FitzGerald, Chief, Public and Private Mandates Unit; H. Samuel Papenfuss, Deputy Director of Budget Analysis; Chad Chirico, Director of Budget Analysis.

Estimate approved by: Phillip L. Swagel, Director, Congressional Budget Office.

2. *General Performance Goals and Objectives.* As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to require the Secretary of the Interior to conduct certain offshore lease sales.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clauses 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

UNFUNDED MANDATES REFORM ACT STATEMENT

According to the Congressional Budget Office, H.R. 5616 contains no unfunded mandates as defined in the Unfunded Mandates Reform Act.

EXISTING PROGRAMS

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW

As ordered reported by the Committee on Natural Resources, H.R. 5616 would make no changes in existing law.

DISSENTING VIEWS

H.R. 5616 would force the Bureau of Ocean Energy Management (BOEM) to hold ten offshore oil and gas lease sales in the Gulf of Mexico and three in the Cook Inlet Planning Area offshore Alaska in the five-year period following the enactment of the Act. These 13 lease sales would be in addition to the three proposed lease sales in DOI's recently released 2024–2029 five-year plan.

Under this legislation, each lease sale in the Gulf of Mexico is required to be at least 80 million acres, essentially the entire central and western Gulf of Mexico—there are only 83 million unleased acres in the region.[1] The lease sales would also be offered at pre—Inflation Reduction Act (IRA) terms, meaning lower royalty rates (12.5 percent rather than the new minimum of 16.67 percent) and no fees on methane emissions. The legislation would also waive the requirements for BOEM to review the balance between development and environmental risks in a certain region; expressed interest from oil and gas producers; the laws, goals, and policies of affected states; and other information as required by Section 18 of the Outer Continental Shelf Lands Act (OCSLA) if doing so would delay issuance of a lease. The bill would also entirely waive National Environmental Policy Act (NEPA) requirements, including environmental review and community input, and eliminate the ability for citizens to sue to stop a lease, even if there are legal violations.

On September 29, 2023, the Biden administration released the 2024–2029 Proposed Final Program for offshore oil and gas leasing (five-year plan), containing three lease sales in the Gulf of Mexico, the minimum under the terms in the Inflation Reduction Act to sustain offshore wind leasing through 2030.[2] This is the fewest number of lease sales in a five-year plan in history—the Trump administration proposed 47 lease sales, although that plan was never finalized. Including a sale or area in the five-year plan does not necessarily mean that BOEM will hold the lease sale; however, no areas or leases not included in the program will be considered for leasing during the period.

2024–2029 PROPOSED FINAL PROGRAM[3]

Sale Number	Area	Year
262	Gulf of Mexico Region	2025
263	Gulf of Mexico Region	2027
264	Gulf of Mexico Region	2029

[1] BOEM, GOM Interactive Lease Statistics Dashboard, Last Accessed September 22, 2023, https://www.boem.gov/gom-interactive-lease-statistics-dashboard. According to BOEM, there are 95 million acres in the central and western GOM, and over 12 million have been leased.
[2] U.S. Department of the Interior, Press Release, September 29, 2023, https://www.doi.gov/pressreleases/reflecting-americas-rapid-and-accelerating-shift-clean-energy-interior-department.

If the U.S. is to meet President Biden's goals to reduce emissions by 50–52 percent of 2005 levels by 2030 and stay consistent with the International Panel on Climate Change's science-backed pollution guidance, the U.S. needs to rapidly reduce its reliance on and production of fossil fuels.[4] However, offshore oil production in the Gulf of Mexico has steadily increased over the last decade. The U.S. is currently the number one producer of oil and gas in the world and a top exporter.[5]

In 2022, Big Oil made a record $219 billion in profits and paid shareholders a record $110 billion in dividends and stock buybacks.[6] Additionally, the U.S. Energy Information Administration, the Federal Energy Regulatory Commission, and the head of global natural gas research at Goldman Sachs have all found that the increased export of natural gas causes increased prices and volatility for American consumers.[7] [8] [9]

According to the International Monetary Fund, when the externalized costs of fossil fuel production are accounted for, including health, environmental, and climate costs, the U.S. spends $649 billion per year on fossil fuel subsidies.[10] The federal government's direct fossil fuel subsidies are $20.5 billion annually, according to conservative estimates, including over 13 tax breaks, below-market lease and royalty rates, fossil fuel research and development, and financing international fossil fuel projects.[11] When tax breaks, especially write-offs for taxes paid to foreign governments, are considered, many major oil and gas companies pay roughly half the standard federal corporate tax rate of 35 percent. In 2009, Exxon Mobil paid zero U.S. federal income taxes.[12]

This legislation is yet another giveaway to the fossil fuel industry. Republicans argue that we need to extract even more oil and gas from our public lands and waters to lower gas prices and become "energy independent," but the U.S. is already the world's number one producer and a top exporter of oil and gas and that

[3] BOEM, 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program, September 2023, https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/2024-2029_NationalOCSProgram_PFP_Sept_2023.pdf.

[4] "FACT SHEET: President Biden Sets 2030 Greenhouse Gas Pollution Reduction Target Aimed at Creating Good-Paying Union Jobs and Securing US Leadership on Clean Energy Technologies," The White House, April 22, 2021, https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/22/fact-sheet-president-biden-sets-2030-greenhouse-gas-pollution-reduction-target-aimed-at-creating-good-paying-union-jobs-and-securing-u-s-leadership-on-clean-energy-technologies/.

[5] Congressional Research Service (CRS), Federal Offshore Oil and Gas Revenues During the COVID–19 Pandemic, March 8, 2021, https://crsreports.congress.gov/product/pdf/IF/IF11649.

[6] Big Oil refers to the 6 largest Western oil and gas companies, Shell, BP, TotalEnergies, Chevron, ExxonMobil, and Equinor. *See* "Big Oil doubles profits in blockbuster 2022," Reuters, February 8, 2023. https://www.reuters.com/business/energy/big-oil-doubles-profits-blockbuster-2022-2023-02-08/.

[7] *Effects of Liquefied Natural Gas Exports on the U.S. Natural Gas Market*, at page 7, www.eia.gov/outlooks/aeo/IIF_LNG/.

[8] Federal Energy Regulatory Commission, "Winter Energy Market and Reliability Assessment 2022–2023." https://ferc.gov/media/report-2022-2023-winter-assessment.

[9] Lily Jamali, *Marketplace*, July 11, 2023, https://www.marketplace.org/2023/07/11/buffetts-berkshire-hathaway-ramps-up-investment-in-liquefied-natural-gas/.

[10] Coady, D. et al. "Global Fossil Fuel Subsidies Remain Large: An Update on Country-Level Estimates." International Monetary Fund. 2019. https://www.imf.org/en/Publications/WP/Issues/2019/05/02/Global-Fossil-Fuel-Subsidies-Remain-Large-An-Update-Based-on-Country-Level-Estimates-46509.

[11] Oil Change International, October 2017, Dirty Energy Dominance: Dependent on Denial http://priceofoil.org/content/uploads/2017/10/OCIUS_Fossil-Fuel-Subs-2015-16_Final_Oct2017.pdf.

[12] Oceana, Oil & Gas Subsidies: Myth vs. Fact, Accessed September 22, 2023, https://usa.oceana.org/oil-gas-subsidies-myth-vs-fact/.

has failed to make us independent from price fluctuations of these global commodities.[13] Fossil fuel companies continue to reap record profits to the detriment of Americans at the pump.

Additionally, and it cannot be understated, oil and gas development is a public health hazard. In "Cancer Alley" in Louisiana, the cancer risk is nearly 50 times higher than the national average due to nearby chemical plants and oil refineries.[14] It's long past time we put an end to sacrificing environmental justice communities for the sake of industry profits.

For these reasons, Congress should reject H.R. 5616.

RAÚL M. GRIJALVA,
Ranking Member.

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[13] U.S. Energy Information Administration. "Crude Oil Production." Accessed September 21, 2023, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=mcrfp3fm2&f=a.

[14] "Waiting to Die" (July 2019). University Network for Human Rights, https://www.epa.gov/sites/default/files/2019-12/documents/waiting_to_die_final.pdf.