



July 16, 2020

The Honorable Jim McGovern
Chairman
House Committee on Rules
H-312
The Capitol
Washington, D.C. 20515

The Honorable Tom Cole
Ranking Member
House Committee on Rules
H-152
The Capitol
Washington, D.C. 20515

Dear Chairman McGovern and Ranking Member Cole,

Our organizations write in strong opposition to Amendment 151 to H.R. 6396, the *William M. (Mac) Thornberry National Defense (NDAA) Authorization Act for Fiscal Year 2021*. This amendment, if enacted, would not only cut off reasonable debate on the future of domestic energy production **but it also appears to make existing energy production less safe.**

Regarding the first substantive portion of the amendment, we believe that as we reach the end of the existing Gulf of Mexico Energy Security Act (GOMESA) moratorium on certain energy activities in 2022, regulators should be allowed to examine responsible development in the Eastern Gulf of Mexico. Of course, there is a legitimate discussion to be had about how this development can be done so that it best protects not only U.S. military testing and training needs but also tourism and coastal living. However, this questionably germane rush to extend the GOMESA Moratorium as part of the NDAA is not the way to address it. Among other flaws, we believe this portion of the amendment:

1. Threatens future revenue sharing, conservation funding, and other benefits of increased royalty payments from operations in the Eastern Gulf at a moment when Congress is preparing to extend the Land and Water Conservation Fund whose funding *is dependent on future energy production in the Gulf*;
2. Shuts out other Gulf Coast states (including those far closer to areas that would again be open for *possible* development) from the discussion and future economic development;
3. Threatens American energy security by shutting off key resource opportunities in the Gulf of Mexico, potentially diverting future investment, jobs, and energy production to other regions or global competitors like Russia and Iran; and
4. Ignores the lessons from the long-standing and successful memorandum of understanding overseeing collaboration between the Department of Defense and the Department of the Interior in the Western and Central Gulf of Mexico.

The second substantive section of this amendment rolls back existing safety rules and seeks to return to the 2016 Well Control Rule, and by doing so would run counter to environmental protection. Returning to the original Rule issued in 2016 threatens years of innovation by the offshore energy sector and removes government-reviewed regulatory flexibility that has strengthened offshore safety performance.

In recent years, rules around well control have changed to a focus on safety and replaced an inadequate, one-size-all approach with more responsive performance-based regulations based on the most up-to-date operations and innovative technology in the offshore exploration and development field. Every oil and natural gas well has unique characteristics: geology, depth, pressure and temperature and other variables

that factor into developing the best safety plan for a particular well. That's why moving past the old-fashioned, one-size-fits-all system is essential and why reforms finalized in 2019 – drawing on the expertise of over [300 subject matter experts from more than 70 companies](#) who expended tens of thousands of collective hours – are a step forward in industry's continual efforts to advance offshore safety.

In fact, we ultimately believe that the revised well control rule is helping to further manage risks and better protect workers and the environment by:

1. Supporting tangible steps by the industry and the regulator to significantly improve capability to prevent, contain, and respond to a potential offshore incident;
2. Revising flawed requirements in the previous rule that were found to have [technical problems](#); and
3. Establishing a performance-based standard under which an approved safe drilling margin can be established on a case-by-case basis, using data and analysis specific to justify operations for a particular well.

Despite this, Amendment 151 would undo these improvements—**this Amendment would send the offshore industry back in time, undo critical reforms, and possibly increase the risk of an incident in the offshore with requirements on critical aspects of safety like drilling margins, well cementing and well design.**

We strongly urge all members of the Committee to reject this amendment.

Very respectfully,



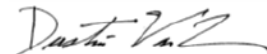
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President
NOIA



Jason McFarland,
President
IADC



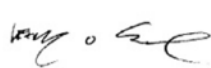
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Cc: Members of the House Committee on Rules

Cc: Sponsors of Amendment 151