

To:	House Committee on Natural Resources Republican Members
From:	Subcommittee on Energy and Mineral Resources Republican Staff; Ashley Nichols
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Date:	February 14, 2022
Subject:	Full Committee Hearing on H.R. 2021 the "Environmental Justice For All Act"

On **Tuesday, February 15, 2022, at 10:00 a.m. EST, in 1324 Longworth House Office Building and online via Cisco WebEx**, the Full Committee will hold a legislative hearing on H.R. 2021, the *"Environmental Justice For All Act."*

Member offices are requested to notify Ashley Nichols no later than **Monday, February 14, at 4:30 p.m. EST**, if their Member intends to participate via his/her laptop in the committee room or remotely from another location. Submissions for the hearing record must be submitted through the Committee's electronic repository at <u>HNRCDocs@mail.house.gov</u>. Please contact David DeMarco (<u>David.DeMarco@mail.house.gov</u>) or Everett Winnick (<u>Everett.Winnick@mail.house.gov</u>) should any technical difficulties arise.

I. KEY MESSAGES

- The bill would create new, more onerous requirements for federal programs and non-federal projects that would significantly increase permitting timelines and open the door for lawsuits.
- The bill would disincentivize economic development in environmental justice (EJ) communities by making it much harder to permit projects, limiting opportunities for job creation and economic opportunity.
- The bill is expansive and aims to regulate everything from minerals and air to cosmetics and feminine products.
- The bill would increase royalties and impose new fees on federal onshore and offshore oil and gas production, which drive-up energy prices for American families, including those in at-risk communities.
- The bill is part of the Democrats' agenda to make it harder to permit domestic projects. Their actions are far from "just. Their agenda ignores the fact that these same actions harm vulnerable communities that rely on natural resources-based projects.



II. WITNESSES

- The Honorable Harry K. Brower Jr., Mayor, North Slope Borough, Alaska [Republican Witness]
- **Dr. Nicky Sheats,** Director of the Center for the Urban Environment at the John S. Watson Institute for Urban Policy and Research at Kean University, Union, New Jersey
- **Ms. Laura Cortez**, Co-Executive Director of East Yard Communities for Environmental Justice, Los Angeles, California
- Ms. Amy Laura Cahn, Acting Director of Environmental Justice Clinic in South Royalton, Vermont

III. BACKGROUND

What is Environmental Justice?

According to the U.S. Environmental Protection Agency (EPA), environmental justice (EJ) is "the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies."¹ The EJ movement largely surfaced as a part of the environmental movement in the 1970s and led to President Bill Clinton's Executive Order (E.O.) 12898 in 1994.²

E.O. 12898 directed each federal agency to "make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations in the United States."³ E.O. 12898 also created an interagency working group led by the EPA to help federal agencies develop EJ strategies that ensure enforcement of all health and environmental statutes in areas with high minority populations and low-income populations.⁴ This is important because, although the law does not directly mandate the consideration of EJ across federal programs and activities, E.O.12898 directs executive departments and agencies to integrate EJ into their respective missions to "the greatest extent practicable and permitted by law."⁵

The Presidential Memorandum accompanying E.O. 12898 called on federal agencies to analyze the environmental impacts of federal actions on minority and low-income communities when conducting analysis under the National Environmental Policy Act of 1969 (NEPA).⁶ NEPA, among other things, directs federal agencies to account for any potentially significant adverse impacts to the "quality of the human environment."⁷ In response to E.O. 12898, the White House Council on Environmental Quality

⁶ The White House, Memorandum for the Heads of all Departments and Agencies: Executive Order on Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, https://www.epa.gov/sites/default/files/2015-02/documents/clinton memo 12898.pdf.

⁷ 42 U.S.C. §4332(2)(C).

¹ U.S. Environmental Protection Agency, Environmental Justice, <u>https://www.epa.gov/environmentaljustice.</u>

 ² Executive Order 12898, Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations, Wednesday February 16, 1994, <u>https://www.archives.gov/files/federal-register/executive-orders/pdf/12898.pdf.</u>
 ³ Id.

 $^{^4}$ Id.

⁵ Id.

(CEQ) issued guidance on considering EJ under NEPA in 1997.⁸ This guidance created six principles for EJ analyses to determine if a federal action has a disproportionate and adverse human health or environmental effect on low-income, minority, and tribal populations.⁹

The Biden administration has continued issuing Executive Orders on EJ issues. On January 20, 2021, President Biden signed E.O. 13990, "Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis", which called on agencies to review actions of the previous administration to identify if they are inconsistent with EJ policies.¹⁰ One week later, President Biden signed E.O. 14008, "Tackling the Climate Crisis at Home and Abroad", which established broad environmental justice goals for the federal government, including a priority of "ensur[ing] that environmental and economic justice are key considerations in how we govern."¹¹ E.O. 14008 also amended E.O. 12898 by establishing two new councils within the White House responsible for addressing EJ: the White House Environmental Justice Interagency Council and the White House Environmental Justice Advisory Council.¹² The Biden administration is also updating EPA's EJ screening tool (EJScreen), which assesses socioeconomic, environmental, and health factors to identify communities that may be particularly exposed to pollution.¹³

The Biden administration is also trying to require states to use funding from the recently enacted Infrastructure Investment and Jobs Act (IIJA)¹⁴ on EJ. The same day the President signed IIJA into law, he also issued E.O. 14052,¹⁵ which claims that IIJA will help "advance environmental justice; and invest in communities that have too often been left behind."¹⁶ In January, Mitch Landrieu, the Biden administration's Infrastructure Implementation Coordinator, sent a letter to governors proposing IIJA goals, including "supporting disadvantaged and underserved communities, advancing climate resilience and sustainability."¹⁷ Two weeks later, sixteen Republican governors responded with a letter to the President demanding flexibility for states not only on formula funding but also on competitive grant programs, specifically stating that "[e]xcessive consideration of equity, union memberships, or climate as lenses to view suitable projects would be counterproductive" and that the Biden administration "should not attempt to push a social agenda through hard infrastructure investments and instead should consider economically sound principles that align with state priorities."¹⁸

⁸ Council on Environmental Quality, Environmental Justice: Guidance Under the National Environmental Policy Act, December 10, 1997, <u>https://ceq.doe.gov/docs/ceq-regulations-and-guidance/regs/ej/justice.pdf.</u> ⁹ Id.

¹⁰ E.O. 13990, "Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis," 86 Federal Register 7037, January 25, 2021.

¹¹ E.O. 14008, "Tackling the Climate Crisis at Home and Abroad," 86 Federal Register 7619, February 1, 2021.

¹³ EnergyWire, Miranda Willson, Delaware offers litmus test for Biden's EJ plan, 2/3/21.

¹⁴ Public Law 117-58.

¹⁵ The White House, Executive Order on Implementation of the Infrastructure Investment and Jobs Act, November 15, 2021, <u>https://www.whitehouse.gov/briefing-room/presidential-actions/2021/11/15/executive-order-on-implementation-of-the-infrastructure-investment-and-jobs-act/</u>

¹⁶ Id.

¹⁷ Mitch Landrieu Letter to Governors, January 4, 2022,

https://www.ibtta.org/sites/default/files/documents/Advocacy/GA053-

Mitch%20Landrieu%20Letter%20to%20Governors%202022-0104.pdf

¹⁸ Joint Letter to President Biden Requesting IIJA State Flexibility, January 19, 2022,

https://www.scribd.com/document/553828187/Joint-Letter-to-President-Biden-Requesting-IIJA-State-Flexibility-1-19-22#download.

National Petroleum Reserve-Alaska and the Willow Project

While purporting to pursue environmental justice, the Biden administration and litigious environmental organizations are advancing policies that will negatively impact native and disadvantaged communities. One such case study is in the North Slope of Alaska, which includes NPR-A as well as the Arctic National Wildlife Refuge (ANWR). The National Petroleum Reserve-Alaska (NPR-A) was set aside for its potential petroleum value by President Warren G. Harding in 1923. The Naval Petroleum Reserves Production Act of 1976¹⁹ designated the roughly 23-million-acre area specifically for oil and gas development, renamed it the NPR-A and transferred administration from the Navy to the Bureau of Land Management (BLM).

Within the North Slope, there are eight Iñupiat communities: Anaktuvuk Pass, Atqasuk, Kaktovik, Nuiqsut, Point Hope, Point Lay, Utqiaġvik and Wainwright. The Iñupiat have inhabited the Arctic Slope for more than 10,000 years. In 1971, the Alaska Native Claims Settlement Act of 1971 (ANCSA)²⁰ created a new structure of indigenous representation for the benefit of the indigenous peoples of the region. The Iñupiat Community of the Arctic Slope (ICAS) is a regional Alaska Native federally recognized tribe governed by the Indian Reorganization Act of 1934. The North Slope Borough (NSB) was formed in 1972 to ensure Native communities would share in the benefits of oil and gas development on their ancestral homelands and for the preservation and promotion of Iñupiat cultural and economic interests. Taxes levied on oil and gas infrastructure have enabled the NSB to invest in public infrastructure and utilities, education, and provide police, fire, emergency and other services. The Arctic Slope Regional Corporation (ASRC) is owned by and represents the business interests of approximately 13,000 Iñupiat shareholders and provides financial returns to these shareholders in the form of jobs, dividends, and through activities that preserve Iñupiat culture and traditions. The three Alaska Native regional entities work together to effectively serve, provide for, and enrich the lives of the Iñupiat that they represent.

Oil and gas production on the North Slope is critical to these indigenous communities. One project in particular, the Willow project within NPR-A, would provide thousands of jobs and crucial funding to address the needs of North Slope communities.²¹ ICAS, the NSB, and ASRC all support the development of the Willow Project. In 2020, the Trump administration developed a new NPR-A Integrated Activity Plan (IAP) in close partnership with the NSB and in consultation with North Slope Tribes and Alaska Native corporations.²² The 2020 IAP updated the 2013 IAP developed by the Obama administration, and included important safeguards for wildlife while allowing for responsible energy development in the NPR-A.²³ The close consultation between the Trump administration and Alaska Native stakeholders led to the inclusion of provisions that ensured future economic development for the region, addressed community infrastructure needs, and required certain areas be excluded from future leasing.

¹⁹ Public Law 94-258.

²⁰ 43 U.S.C. Chapter 33.

²¹ ConocoPhillips Alaska, Willow: Project Description, <u>https://static.conocophillips.com/files/resources/willow-fact-sheet-final.pdf</u>

 ²² ASRC, ICAS, North Slope Borough, Press Release, Secretary Haaland Ignore North Slope Inupiat on NPR-A IAP.
 ²³ Bureau of Land Management, Trump Administration Updates Plan for Responsible Energy Development in Alaska's National Petroleum Reserve, January 4, 2021, <u>https://www.blm.gov/press-release/trump-administration-updates-plan-responsible-energy-development-alaskas-national</u>

However, under the Biden administration, the BLM is currently writing a supplemental environmental assessment for the proposed Willow project, after an Obama-appointed federal judge overturned the Trump administration's approval of the project for failing to fully account for climate impacts.²⁴ Special interest groups are trying to push the Biden administration to conduct a more extensive review of the project in the hope of stopping it from moving forward.²⁵

Unfortunately, the Biden administration announced last month that it plans to revert management of the NPR-A to the Obama administration's 2013 IAP.²⁶ In the same announcement, BLM announced that it would issue a new Record of Decision for the Willow project once consultations under Section 7 of the Endangered Species Act²⁷ are complete. This announcement was met with opposition from ICAS, the NSB, and ASRC. In a joint press release, the three entities voiced their opposition to the decision but also highlighted that the Biden administration's decision ignored the voices of the North Slope Iñupiat and violates E.O. 13175²⁸ by failing to consult with ICAS and ASRC.²⁹ It is also important to note that the NSB was a cooperating agency during the Obama administration's 2013 IAP but was not contacted prior to the Biden administration's decision.

Environmental Justice and Drought

Federal water policies also impact Hispanic communities whose livelihoods depend on adequate water for irrigated agriculture and municipal water needs. Last year, much of California's Central Valley experienced one of the worst drought conditions on record.³⁰ Conditions were similar to those that occurred in 2015. In 2015, federal water supply cuts led to the fallowing of 540,000 acres of farmland, 21,000 lost jobs, and an economic loss of \$2.7 billion.³¹ Unemployment reached more than 40 percent in parts of the San Joaquin Valley that year, prompting massive food lines for many of the farmworkers who were once employed in fields full of produce.³² Water supply reductions mean fewer fresh fruits and vegetables for consumers, increased farm-related job losses, which disproportionally impacts rural and disadvantaged communities, and billions in lost economic activity. Yet, today the Biden administration is pushing policies such as moving away from the 2019 Biological Opinions (BiOps) toward old and outdated operating rules and will likely exacerbate water shortages for farms and job losses for disadvantaged communities in the region.³³

²⁴ Washington Post, Federal Judge Rejects Trump-Era Permits for Major Alaska Oil Project, August 18, 2021, <u>https://www.washingtonpost.com/climate-environment/2021/08/18/biden-climate-willow-project/</u>.

²⁵ GreenWire, Green Groups Demand Tougher Review of Arctic Oil Project, February 3, 2022,

https://www.alaskawild.org/wp-content/uploads/2022/02/Green-groups-demand-tougher-review-of-Arctic-oil-project.pdf. ²⁶ Bureau of Land Management, *BLM provides update in review of 2020 Integrated Activity Plan for the National Petroleum Reserve in Alaska*, January 10, 2022.

²⁷ Public Law 93-205.

²⁸ 65 Fed. Register 218, November 9, 2000, <u>https://www.govinfo.gov/content/pkg/FR-2000-11-09/pdf/00-29003.pdf.</u>

²⁹ ASRC, ICAS, North Slope Borough, Press Release, Secretary Haaland Ignore North Slope Inupiat on NPR-A IAP, January 11, 2022, https://www.asrc.com/press/secretary-deb-haaland-ignores-north-slope-inupiat-on-npr-a-iap/.

³⁰ NOAA, National Integrated Drought Information System, California, <u>https://www.drought.gov/states/california</u>.

³¹https://watershed.ucdavis.edu/files/biblio/Final_Drought%20Report_08182015_Full_Report_WithAppendices.pdf

³² https://www.bloomberg.com/news/articles/2014-02-14/california-drought-threatens-50-farm-town-unemployment

³³ https://sjvsun.com/ag/biden-vs-feinstein-costa-harder-calif-gop-temporary-calif-water-plan-gets-pushback-on-capitol-hill/

IV. MAJOR PROVISIONS & ANALYSIS

H.R. 2021 (Rep. Raul Grijalva, D-AZ), the "Environmental Justice For All Act"

The bill, which has been referred to six House committees and has 89 Democrat cosponsors, includes a broad definition of EJ which calls for "the fair treatment and meaningful involvement of *all* people *regardless of race, color, culture, national origin, or income*, with respect to the development, implementation, and enforcement of environmental laws, regulations and policies." However, the definition of an EJ Community in the bill only includes communities with "significant representation of communities, or Tribal and Indigenous communities."

Chairman Grijalva's proposal is duplicative, as these considerations are already addressed under NEPA, the Clean Air Act, the Clean Water Act, and other applicable statutes. Further, it does not consider the potential benefits of proposed projects to the impacted community that could result in better health and economic outcomes for households and communities over time. For example, new construction of a natural gas pipeline can generate thousands of well-paying jobs and access to reliable, affordable baseload energy for households and communities, minimizing energy poverty and creating economic opportunity. Last Congress, this Committee held a hearing on a similar bill, H.R. 5986. The Republican witness for that hearing was Derrick Hollie, President of Reaching America, an outreach organization addressing complex social issues impacting African American communities today such as energy poverty, justice reform, K-12 education, occupational licensing, free speech, and mental health. In his testimony, Mr. Hollie urged Congress to address energy poverty by increasing access to affordable energy for minority communities.

Section 4 of the bill would amend Subchapter V of the Civil Rights Act of 1964³⁴ by creating a new test to determine if a program, policy, practice, or activity is discriminatory based on disparate impact on the basis of race, color, or national origin. Subchapter V currently prohibits the exclusion from participation in federally assisted programs on the grounds of race, color, or national origin.³⁵ H.R. 2021 would take this a step further by prohibiting discrimination in regard to any program, policy, practice, or activity based on disparate impacts. The language states that an entity must demonstrate that the activity is necessary to achieve the non-discriminatory goal of the program and show that there is not a less discriminatory alternative. If enacted, this language will likely result in increased litigation and could significantly impact the ability of federal agencies, state agencies, universities, or private organizations to carry out programs and actions.

Section 5 would amend Section 602 of the Civil Rights Act of 1964³⁶ to provide "aggrieved" individuals the ability to file suit in any district court regardless of their citizenship.

Section 6 would amend the Civil Rights Act of 1964³⁷ to allow aggrieved individuals to recover equitable legal relief and attorney's fees.

^{34 42} U.S.C. 2000d.

³⁵ *Id*.

³⁶ 42 U.S.C. 2000d-1.

³⁷ Id.

Section 7 of the bill would amend the Federal Water Pollution Control Act³⁸ to create a new standard for renewal of discharge permits under the National Pollutant Discharge Elimination System (NPDES). The new standard would require the Administrator of the EPA to consider the "cumulative impacts" of the discharge, which would likely result in increased litigation and a prolonged analysis period. Section 7 would also amend the Clean Air Act³⁹ to create a similar cumulative impact standard for emissions, discharges, and releases and for permits for major sources. Additionally, the permitting authority would have to determine with "reasonable certainty" that no harm will come to the health of the general population. The Section would create new reporting requirements for major sources, stipulating that they create a cumulative impact analysis for census block groups or Tribal census block groups located adjacent to the major source.

Section 8 would codify the White House Environmental Justice Interagency Council created by E.O. 14008 and lays out the purposes for it. This would require the Council to develop guidance to define key terms for all federal agencies to use. This guidance would be subject to a public comment period. Additionally, the Section aims to create a one-size-fits-all EJ strategy across the federal government by requiring the Council to develop an Interagency Federal EJ Strategy every three years for federal agencies to follow.

Section 9 would force agencies to ensure that all their programs or actions do not create a disparate impact on the basis of race, color, national origin, or income level. This requirement would further tie the hands of our federal agencies by requiring never-ending studies and would result in never-ending litigation. Section 9 would also require that agencies develop new EJ strategies within 2 years and stipulates what must be included in those strategies. Agencies would also be forced to conduct environmental and public health research and analyses for all programs that have the potential to discriminate based on race, national origin, or income. The Administrator of the EPA would be required to develop an EJ mapping tool, such as the EJScreen mapping tool currently maintained by the EPA, to track demographic and environmental data. Lastly, the Section would allow any person may commence a civil action against an agency using the section.

Section 10 would create an EJ Ombuds position at the EPA that would report to the Administrator and review complaints and assist individuals with complaints. The EJ Ombuds could hire regional staff and would be tasked with recommending changes to the Administrator based on complaints.

Section 11 would direct the Secretary of the Interior to create an outdoor recreation legacy partnership grant program to award grants to states, local governments and tribes to acquire land, renovate existing facilities, and provide opportunities for outdoor education. Priority would be given to areas that lack access to such activities. Section 11 would also amend Section 105(a)(2) of the Gulf of Mexico Energy Security Act of 2006^{40} by taking 5 percent of the funding for the Land and Water Conservation Fund to fund this new grant program.

Section 12 would direct the Secretary of Transportation to create a Transit to Trails Grant Program to fund state, local, and tribal projects that develop transportation systems to connect critically underserved communities and increase access to public lands. Grants made under this program could range from

³⁸ 33 U.S.C. 1342.

³⁹ 42 U.S.C. 7661.

⁴⁰ 43 U.S.C. 1331.

\$25,000 to \$500,000 and would require a 100 percent funding match. It would be authorized for \$10 million each fiscal year.

Section 13 would repeal the sunset of the Every Kid Outdoors Program.⁴¹

Section 14 would create "additional protections" for EJ communities relating to federal actions such as requiring "community impact reports" for federal actions that require an environmental impact statement (EIS) under NEPA. These community impact reports would consider the impacts of an action on environmental communities as well as public health data. This would further delay projects that require EIS's under NEPA, which is already a prolonged process, and would provide more opportunities for lawsuits to block major projects. The Section would add additional requirements (public comment periods, public meetings and hearings) for any action under NEPA that may impact an EJ community. The Section would also allow tribes to hold the status of a cooperating agency for any proposed action that could impact a tribe, as determined by the tribe, including impacts on off-reservation lands and sacred sites. This could occur as early as the scoping process under NEPA, requiring the preparation of an EIS should the tribe request that status.

Section 15 would provide training to federal agencies to ensure EJ is incorporated into the daily activities of employees.

Section 16 would create an EJ Grant Program at the EPA to provide grants to nonprofit, communitybased organizations to improve building capacity to address issues related to EJ, create partnerships, educate the EJ community, or implement projects that address public health concerns. This program would be authorized at \$25 million per year from 2022 to 2026. The section would also create a State Grant Program, a Tribal Grant Program, and a Community-Based Participatory Research Grant Program for similar purposes authorized at \$15 million, \$25 million, and \$10 million respectively.

Section 17 would direct the Administrator of the EPA to create a basic training program to increase the capacity of residents of EJ communities to identify disproportionate environmental effects. This program would be carried out via grants to accredited institutions who partner with community-based organizations or state or Tribal governments. The Section would authorize \$10 million for this program from 2022-2026.

Section 18 would make permanent the National EJ Advisory Council created by E.O. 14008 and stipulate the membership makeup and responsivities of the Council.

Section 19 would direct the Administrator of the EPA to create an internet-based EJ clearinghouse composed of "culturally appropriate" materials related to EJ.

Section 20 would require the Administrator of the EPA to hold public meetings on EJ issues in each EPA Region.

Section 21 would require that the Administrator of the EPA ensure that all projects stemming from EJ settlements are carried out in consultation with those same EJ communities.

⁴¹ 16 U.S.C. 6804.

Section 22 would amend the Coastal Zone Management Act of 1972 (CZMA)⁴² by creating a grant program to further achievement of Tribal coastal zone objectives. The Committee has twice considered versions of this language this Congress, once as a standalone bill (H.R. 1415, Tribal Coastal Resiliency Act) and as a provision of the "Blue New Deal" (H.R.3764, the Ocean-Based Climate Solutions Act). Language included in H.R. 2021 is a combination of these two previous versions. It would authorize a new \$5 million five-year grant program indefinitely under CZMA for Indian tribes. It also includes language from the introduced version of H.R. 1415, which would require grantees to consult with the affected coastal state regarding grant objectives. H.R. 2021, however, continues to include language that the National Oceanic and Atmospheric Administration (NOAA) had previously expressed concerns over. Specifically, that the language would focus funding on objectives NOAA finds "capital-intensive and, in some cases, adversely affect nearby beaches, dunes, and other coastal resources."⁴³

Section 23 would amend the Federal Food, Drug, and Cosmetic Act⁴⁴ to ensure that cosmetic products sold by professionals include a list of ingredients and warnings.

Section 24 would force the Director of Health and Human Services (HHS) to award grants to support research of safer cosmetic ingredients and provide educational materials. There is no authorized funding limit in the bill.

Section 25 would direct the Director of HHS to award grants to support research on safer alternatives to chemicals currently used in consumer toy, cleaning, and baby products. This section also does not provide an authorized funding limit.

Section 26 would require certain menstrual products to list the name of each ingredient or component of the product and if it fails to provide such a list, it is considered to be misbranded, which can result in criminal penalties and jail time.

Section 27 would amend the Public Health Service Act⁴⁵ to require the director of the National Institute of Environmental Health Sciences to investigate the chemicals linked to adverse health effects marketed to women of color. The Section does not limit authorized funding.

Section 28 would amend the Mineral Leasing Act⁴⁶ to increase the royalty rate for coal and oil and gas produced on federal lands from 12.5 percent to 18.75 percent and would make lease sales optional for BLM. The Section would also change the royalty rate for reinstated leases from 16 2/3 percent to 25 percent and adds a new \$4 per acre per year fee on producing federal offshore and onshore leases and a \$6 per acre per year fee on non-producing leases. The funds from these new fees would go to a new Federal Energy Transition Economic Development Assistance Fund (Fund) and the "increased" revenues from royalties would be split between the new Fund and states. These changes would likely have a devastating impact on oil and gas production on federal lands and waters and thus would result in decreased royalties paid and significant job loss. It is likely that, if required to comply with this

- ⁴³ Written Testimony by RDML Tim Gallaudet, Deputy NOAA Administrator, Hearing July 25, 2019,
 <u>https://docs.house.gov/meetings/II/II13/20190725/109853/HHRG-116-II13-Wstate-GallaudetT-20190725.pdf</u>
 ⁴⁴ 21 U.S.C. 361.
- ⁴⁵ 42 U.S.C. 2851.
- ⁴⁶ 30 U.S.C. 226.

⁴² 16 U.S.C. 1456b.

provision, the Office of Natural Resources Revenue (ONRR) would simply take 6.25 percent of the royalty (the difference between 12.5 percent and 18.75 percent) calling that the "increase" and splitting it between the Fund and the states.

The bill attempts to account for the downturn in oil and gas production and the jobs it creates by distributing money from the Fund to impacted states directly and through a competitive grant program. Among other things, the money provided to states could be used for remediation, fostering economic growth, wage support, or severance payments. The competitive grant program would be used for new projects to create jobs and so-called clean energy programs at colleges or universities. The Section would also create a "Just Transitional Advisory Committee" that would be composed of federal agencies and nonprofit environmental organizations to manage the grant program.

Section 30 would require the Comptroller General of the United States to submit a report to Congress evaluating the effectiveness of activities carried out under the bill.

V. COST

The bill has not received a Congressional Budget Office cost analysis.

VI. ADMINISTRATION POSITION

Unknown at this time. The administration will not be testifying on H.R. 2021.

VII. EFFECT ON CURRENT LAW (RAMSEYER)

<u>H.R. 2021</u>