



August 31, 2021

The Honorable Raul Grijalva
Chairman
House Natural Resources Committee
1324 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Grijalva:

The Independent Petroleum Association of America (IPAA) is opposed to legislative proposals under consideration by the House Natural Resources Committee to comply with the Budget Resolution for FY 2022. Based on the instructions from the recently passed congressional budget resolution, the \$3.5 trillion reconciliation bill includes numerous items that will decimate American oil and natural gas producers. The reconciliation package contains unprecedented tax and royalty rate increases, adds an array of penalties and fees and changes leasing terms for production on America's onshore and offshore federal lands.

IPAA represents thousands of America's independent oil and natural gas producers. Our members are the primary producers of the nation's oil and natural gas and account for 83 percent of America's oil production and 90 percent of its natural gas output. These independent producers are a driving force in our economy and support roughly 4.5 million jobs in the United States. IPAA member companies are innovative leaders and broke the code to usher in the shale oil and natural gas revolution in the United States.

As the United States and the world struggle to rebound from the economic hardship caused by the COVID-19 pandemic, it is essential for America to continue to be a leader in energy development. All forms of energy will be needed in the coming years and natural gas and oil produced in the United States will be a key component of that energy mix. Oil and natural gas will not be the only energy source for the United States, but they will be essential to the American economy for years to come.

The fight over the reconciliation legislation is one of the most consequential debates the women and men who work in America's oil and natural gas patch have faced in decades. The reconciliation package being considered by the House Natural Resources Committee establishes new onerous regulatory requirements and penalties on the industry. Although the supporters of the bill claim these efforts are focused on environmental protection, this legislation has nothing to do with addressing climate change or protecting the environment. This legislation

has one purpose, to decimate America's oil and natural gas producers that operate on onshore and offshore federal lands.

Our nation's oil and natural gas explorers and producers are committed to protecting the environment, reducing methane emissions and supporting jobs in local communities across the nation. All of that will be lost if the budget reconciliation package is approved. IPAA is strongly opposed to the budget reconciliation measure being considered by the Committee and urges all members to oppose this legislation.

Sincerely,



Barry Russell

Chairman & CEO

Independent Petroleum Association of America

cc: The Honorable Bruce Westerman