

# STAFF REPORTS

## FEDERAL UPDATE

Chris Kearney, PBPA

Along with the legal efforts conducted by PBPA in the first quarter of 2023 regarding the listing of the lesser prairie chicken (LPC) under the Endangered Species Act (ESA), PBPA's federal advocacy activities were highlighted by two other specific efforts. One of these efforts was a trip to Washington, D.C. by PBPA leadership and the second was the collaboration on and drafting of official comments regarding proposed changes to Section 10 under the Endangered Species Act by the U.S. Fish and Wildlife Service (Service). Included in this report is a discussion of these two actions.

### DC Visit

- For the first time in nearly two years, PBPA leadership took a trip to Washington, DC (COVID has truly come to an end in our nation's capital), as Ben, Stephen, Tommy Taylor and PBPA RPC Co-Chair Jimmy Carlile spent two full days meeting with a dozen members of Congress and senior agency officials. The meetings were not just numerous, but also diverse as attendees included members of Congress, their staff, and committee staff from both chambers and both sides of the aisle, as well as the Interior Department's (DOI) Deputy Secretary Boudreau and senior Service officials.
- In the DOI meetings, we raised concerns about the Service's proposed Section 10 regulatory changes, including the agency's plans to expand its authority under the ESA to regulate state managed and state listed species – an action that could have a significant chilling effect on private conservation as well as current and future oil and gas exploration in the Permian.
- On Capitol Hill, we had a whirlwind series of meetings with House and Senate Members -- including Sen. Cruz, Rep. Tony Gonzales, Rep. Jodey Arrington, Rep. Marc Veasey, dinner with Rep. August Pfluger -- now the House GOP's Leadership's designee on energy -- as well as several key staff for leadership in the House and on energy and environment related committees in both chambers.
- Key among the issues on the Hill were the Administration's LPC listing and our lawsuit; the Environmental Protection Agency's (EPA) aggressive effort to regulate and tax methane on our operations; potential ESA related over-reach by the Service to regulate state managed species; workforce challenges we are facing; and support for Congressional Republicans' legislative efforts on federal permit reform, which will assist in pipeline construction, LNG exports, and other market expansion opportunities.
- Of immediate concern, though, we were particularly focused on the need for Congress to pressure EPA for greater accountability and transparency on what they are doing in terms of implementation of the methane emissions tax enacted as part of the Inflation Reduction Act. Among our concerns on the Methane Tax: EPA will bury our small operators in red tape reporting requirements to prove they don't fall under the tax, and broad requirements to capture as many mid to larger companies as possible to pay the tax – in perpetuity -- that will result in costly actions (and potentially bankruptcy) that will impact virtually all operators across the Permian Basin come 2024 and 2025 when the tax comes into effect.
- We are likely to return to DC in the Fall for follow up meetings with those we weren't able to meet this time around as well as several other allies and potentially "gettable" Democrats as part of an ongoing dialogue of key issues of concern and continued relationship building – so important in this volatile environment.

### Section 10 Comments

- PBPA led a multi trades comment letter to the Service expressing our strong concern/opposition to the Service proposed ESA Section 10 related regulations.
- The changes would fundamentally expand the agency's authority to propose -- or accept an applicant's petition to -- limit, among others, energy companies' access to private or state managed land that might, maybe, someday, be designated as critical habitat for an as yet federally listed species.

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## FEDERAL UPDATE CONTINUED

### **Happenings in DC We Are Watching and Engaged in Q2 And Beyond**

- Continue relationship building DC staff we met with.
  - At their request, submitting testimony to the House Committee that just held a hearing on LPC related legislation.
  - Review and comment on Senate drafts of permit reform legislation.
  - Continue to be available to testify on important bills moving through committee.
- Continue congressional and agency outreach on the adverse impact of looming methane tax and regulation; track permit reform developments in the Senate; keep the Hill updated on LPC litigation.
- Track EPA and other agencies ongoing and proposed anti oil and gas regulatory actions.
- Actively participate in IPPA Cooperative Association calls and related partnership work/utreach with other trades.
- Initiate dialogue with congressional allies and open-minded members regarding ESA process reforms that will bring greater certainty to oil and gas operations and likely benefit other sectors -- including agriculture -- focused on improved scientific credibility and greater transparency to Service listing decisions.
- Congressional-WH Budget Negotiations.