

Congress of the United States
Washington, DC 20515

April 2, 2020

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Trump,

Thank you for your leadership during this time of great uncertainty. As this national health emergency unfolds, we ask that you continue to prioritize America's oil and natural gas producers and workforce. As you know, oil prices plunged to an 18-year low last week and have dropped by more than half this year alone. With oil trading well below \$50 per barrel, many producers are operating at a loss.

Oil and gas producers, and the jobs they support, face unique threats that extend beyond the global pandemic. Prior to the decline in demand due to the spread of the virus, Russia and Saudi Arabia began simultaneously flooding the market with cheap oil, forcing American oil and gas companies to shrink production and slash spending just to stay afloat. If this market does not stabilize soon, we risk rolling back the success of the U.S. energy industry over the past decade, which will have a disastrous effect on America's economy and jeopardize our energy security. With that in mind, please consider the following policy strategies that would provide America's energy producers and workers with much-needed relief.

1. Provide Relief to Producers

Many producers, both onshore and offshore, are considering suspension of drilling programs. Suspensions will not only harm those individuals who work directly for the companies, but also the oilfield services workers who depend on energy exploration and production activities.

Recommendation: The Secretary of the Interior has existing authority to provide royalty relief to producers, and we urge you to support the Secretary's use of this authority as soon as possible. We also recommend extension of primary terms of offshore oil and gas leases to give producers more flexibility during this downturn.

2. Address Russia and Saudi Arabia's Unfair Practices

Russia's rejection of OPEC supply cuts combined with Saudi Arabia dumping cheap crude on the market remains a serious threat to the U.S. oil and gas industry.

Recommendation: The recent news of a special energy envoy to Saudi Arabia is a great first step in addressing this issue. However, these two countries must be quickly brought to the negotiating table to resolve this crisis and address their hostile actions.

3. Continue Utilizing the Strategic Petroleum Reserve (SPR)

We commend you and Secretary Brouillette for utilizing the SPR to relieve market price pressures and provide cashflow to producers.

Recommendation: In addition to requesting additional funding from Congress to fill the SPR, we encourage the Department of Energy (DOE) to use the legal authorities at its disposal to work with oil and gas producers — particularly small and mid-sized operators — to ensure those in most dire need of assistance benefit from DOE's utilization of the SPR.

4. **Maintain Liquidity and Ensure Access to Capital**

We are pleased that the energy industry will benefit from the tax and loan relief provisions included in the CARES Act.

Recommendation: Federal agencies must expedite and implement new guidelines in a way that does not delay or prevent access for energy companies. We also urge the Administration to take necessary steps to assure that the 2016 Office of the Comptroller of the Currency Energy Lending Guidelines do not in any way hinder or prohibit producers from obtaining loans.

5. **Identify and Expedite Regulatory Relief Efforts**

Your Administration has made the United States a world leader in energy development and environmental protection all while growing the economy.

Recommendation: We encourage the Environmental Protection Agency (EPA) to complete its work on replacing the Obama-era methane regulations with cost-effective guidelines that provide clarity and fairness for low production wells under Subpart OOOO (Quad-O). As EPA works to finalize these rules, we also encourage you and Administrator Wheeler to explore additional regulatory relief efforts.

Thank you for your tireless efforts to ensure the safety of Americans and the viability of our economy during this challenging time. America's oil and gas producers, and the workers who depend on them, need you to consider all possible options to weather this storm and maintain America's leadership in energy production and to protect our nation's energy security for the long term. We stand ready to assist in these requests however possible.

Sincerely,



Jodey C. Arrington
Member of Congress



Steve Scalise
Member of Congress



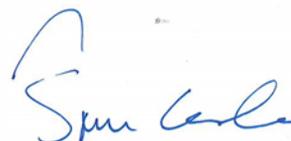
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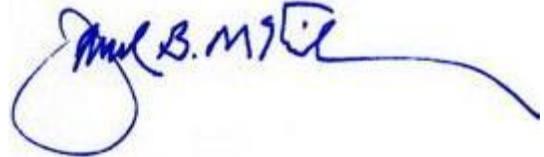
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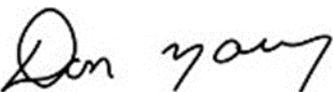
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