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The Honorable Bruce Westerman
U.S. House of Representatives
1324 Longworth House Office Building
Washington, DC 20515

July 22, 2025

Dear Chairman Westerman:

The National Ocean Industries Association (NOIA), representing the offshore energy industry, including offshore oil and gas, renewables, carbon sequestration, and deep sea mining, including the entire offshore energy supply chain, is submitting the attached comments in support of your committee's oversight hearing, "Permitting Purgatory: Restoring Common Sense to NEPA Reviews." These comments, which were provided to the Department of the Interior under President Trump's Executive Order 14154, Unleashing American Energy[1], outline NOIA's recommendations to advance regulatory reform for offshore energy development.

Offshore companies often operate across energy segments, working together in concert to deliver a wellspring of energy, economic, and national security benefits. The offshore environment is truly unique, requiring specialized skills, experience, and infrastructure that translate across energy sectors. As a result, offshore energy companies will often support multiple energy segments, from oil and gas to wind to carbon capture to emerging ocean mineral development, truly embodying an all-of-the-above approach to meeting our energy needs.

The attached document emphasizes the need for streamlined permitting processes, modernized Marine Mammal Protection Act authorizations, a robust offshore leasing program, programmatic royalty relief, timely carbon sequestration regulations, overtaking China in offshore wind development, and tariff relief to achieve President Trump's goal of energy dominance. For offshore renewables, particularly wind, NOIA supports accelerated review and approval of Construction and Operations Plans (COPs), efficient permitting, and regulatory certainty to unlock investment, activate American shipyards, and create high-quality jobs. These reforms will strengthen domestic supply chains and drive a shipbuilding renaissance while helping meet the surging energy demands driven by AI, data centers, and advanced manufacturing.

NOIA thanks you for your leadership and the Trump Administration's commitment to reducing regulatory burdens, demonstrated by Executive Order 14154 and recent NEPA streamlining efforts. NOIA and its members stand ready to work with your committee to advance these shared goals, ensuring offshore traditional energy resources, renewables, and emerging technologies drive American energy dominance. Thank you for your commitment to restoring common sense to permitting processes and unlocking America's energy dominance.

Respectfully,

Erik Milito,
NOIA President

Attachment: NOIA Interior Reg Reform Comments June 2025 Final.pdf

[1] https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/

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June 20, 2025

U.S. Department of the Interior
Office of the Solicitor
1849 C Street N.W.
Washington, D.C. 20240

Subject: DOI Regulatory Reform Request for Information, Docket No. DOI-2025-0005

To Whom It May Concern,

Thank you for the opportunity to provide comments on the Department's request for information on regulatory reform, issued pursuant to President Trump's Executive Order 14154, *Unleashing American Energy*, with the policy objectives to "ensure that all regulatory requirements related to energy are grounded in clearly applicable law" and "promote sound regulatory decision making and prioritize the interests of the American people."

For the past 50 years, NOIA has represented the interests of all segments of the offshore energy industry, including offshore oil and gas, offshore wind, offshore carbon sequestration, and offshore minerals. Our membership includes energy project leaseholders and developers and the entire supply chain of companies that make up an innovative ecosystem contributing to the safe and responsible exploration, development, and production of U.S. energy supplies. NOIA and its members have a direct interest in the Department's regulation and oversight of the offshore energy industry. Federal regulation plays a defining role in shaping economic outcomes across U.S. industries – particularly for offshore energy producers whose long-term investments are uniquely impacted by permitting, leasing, and environmental compliance frameworks. For these producers, the ability to move projects from concept to construction and into production hinges on a stable and efficient regulatory environment.

Regulatory reform should be deliberate, with a focus on efficiency and developing the full range of offshore energy resources

The offshore energy industry requires a stable and predictable regulatory environment to confidently invest in U.S. offshore projects. Offshore energy projects of all types require the commitment of massive amounts of capital and a deliberate and methodical approach to regulatory change is encouraged. Safety and environmental protection are core values for the offshore energy industry.

Over the past decades, the industry has worked closely with the government to establish a regulatory framework through the BOEM and BSEE programs that prioritizes safety and environmental protection. Examples of industry collaborative

efforts with Interior agencies include the drilling safety rule, the well control rule, safety and environmental management systems, and capping and containment capabilities, among other things. BSEE regulations include extensive requirements for well design and integrity and blowout preventer and control systems. Under the current drilling safety provisions, BSEE requires, among other things: identification of the mechanical barriers and cementing practices that will be used; independent, third-party verification that the blowout prevention equipment is designed for the specific equipment on the rig and for the specific well design; independent, third-party verification that the blowout prevention equipment will operate in the conditions in which it will be used; a certification signed by a registered professional engineer that the casing and cementing design is appropriate for the purpose for which it is intended under the expected conditions; and for wells that use subsea blowout prevention equipment, the inclusion of two independent barriers, including one mechanical barrier, for each annular flow path. There also are extensive requirements for the maintenance, testing, and inspection of blowout prevention equipment.

As technology evolves and improves, and as research and data analytic capabilities mature, there will continue to be room for improvements in the regulatory structure, so long as the agencies engage with the industry and its experts to make sure safety is advanced without introducing any unintended adverse consequences. The regulatory requirements currently in place generally provide the industry with well understood expectations for securing approvals of the necessary plans, permits, and approvals to design, construct, operate, and maintain offshore energy projects. Consideration should be given to the adoption of new, proven technologies, such as enabling the use of remote autonomous drones for inspection, maintenance, and monitoring of operations. It is important for the industry to have sensible regulations in place that evolve consistent with innovation and the advancement of technologies, allowing for continued resource development throughout the U.S. offshore region without disrupting the industry's ability to timely bring investments from concept to production.

We do encourage Interior, through BOEM and BSEE, to consider ways to consolidate and streamline the permitting and approval processes. While safety requirements provide industry with a playbook for operating on the U.S. OCS, companies must navigate a complex, often duplicative permitting system that delays timelines and diverts resources from development and innovation. NOIA understands that the agencies have been considering ways to modernize the permitting system for years. With the Administration's focus on regulatory reform, now is the perfect time for BOEM and BSEE to work together – and with industry – to consolidate the permitting processes, eliminate redundancies, establish reasonable timelines and deadlines, harness current computer processes and capabilities, and create a more efficient permitting and approval systems for all forms of offshore energy. We encourage Interior to launch a collaborative program with the industry to take advantage of today's technologies and modernize the entire system.

In recent years, the current system for obtaining Incidental Take Authorizations

(ITAs) under the Marine Mammal Protection Act (MMPA) has become a significant and growing hurdle for both offshore energy development and associated survey operations.[1] Lengthy and unpredictable review timelines – often extending well beyond the statutory 120-day window – create substantial uncertainty for project planning and execution, particularly related to planning work around time of year restrictions and vessel availability. In some cases, if a site investigation permit approval is delayed, the entire campaign may be moved a year later, resulting in delayed submittal of future permit applications. This uncertainty is especially acute for geophysical and geotechnical surveys, which are critical not only to oil and gas development but also to the responsible advancement of offshore wind, carbon sequestration, and critical mineral projects.

While there have been some fixes and temporary patches to address permitting bottlenecks, more durable, long-term policy solutions are urgently needed. Without meaningful reform, offshore energy development likely will face continued permitting delays, under future administrations, that could impact operational windows, inflate costs, and stall investments in and development of energy infrastructure. We encourage Interior to coordinate closely with the National Oceanic and Atmospheric Administration (NOAA) and other relevant agencies to modernize the MMPA authorization process. We support efforts to implement a data-informed approach that maintains environmental stewardship while supporting the timely development of all U.S. offshore energy resources.

In addition, regulatory clarity and stability are of utmost importance to the industry. Requirements should be transparent and in accord with the regulations and the Administrative Procedures Act. We encourage Interior to review its practices to enable a more stable, transparent, and compliant approach.

Finally, to meet the national energy needs of our country it is essential that BOEM commit to a robust offshore leasing process with multiple lease sales each year, including lease sales in the Gulf of America, Alaska, and potentially in new planning areas. The current 2024-2029 leasing program falls well short of the expeditious and orderly development mandate under the Outer Continental Shelf Lands Act (OCSLA), which requires regular, reliable lease sales to meet national energy needs. We appreciate Interior's efforts to complete the requirements necessary to hold the 2025 Gulf lease sale by the end of the year and to complete a new, more robust leasing program. As you are well aware, the OCSLA does not simply allow for offshore oil and gas development. Rather, OCSLA *mandates* the "expeditious and orderly development [of resources], subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs."

As with many other forms of energy development, oil and gas production is contingent upon having acreage that can be explored and produced. Leasing is requisite to securing the acreage to develop and produce supplies of oil and gas for the country.

[1] https://www.noia.org/wp-content/uploads/2022/04/220405-Final-Letter-to-Dr.-Rick-Spinrad-on-LOA-issues.pdf

Continued lease sales at regular intervals will enable declining production to be replenished and production levels to be increased when there are spikes in demand. Simply put, the more acreage that is available, the greater the potential for well-managed energy production. Therefore, we encourage Interior, through BOEM, to continue its work toward achieving energy dominance through a strong offshore leasing program that mandates regular lease sales across areas available for leasing.

Programmatic royalty relief should be considered to drive greater investment in U.S. offshore oil and gas projects

One of the most effective policies for the advancement of investment in U.S. energy was the Deep Water Royalty Relief Act of 1995, which quickly stimulated investment and elevated the U.S. as a global leader in deep water development and production. The Gulf of America has been producing more than 1 million barrels of oil per day since 1997 and, despite a drop in the number of active rigs (from more than 150 to around 30), current production of 1.7 million barrels per day is at near record levels,[2] a testament to the ingenuity of America's offshore energy industry. Today, more than 90 percent of offshore production comes from deep water areas.

The goal of the 1995 Act was to encourage oil and natural gas production in geologically risky and prohibitively expensive Gulf of America deep water areas by providing temporary relief from royalties. It has successfully enhanced our energy security while creating jobs and spurring economic activity. While the 1995 Act was primarily intended to encourage oil production at a time when the nation was in desperate need of new oil supplies, it also resulted in a boon to U.S. taxpayers and a great stimulus to the nation's economy by generating billions of dollars in bonus bid revenues paid by energy companies for new deep water leases. An ARI study looked at Minerals Management Service data and found that the 3,391 deep water leases awarded during that time produced $3.1 billion in bonuses for the U.S. government. Using industry and federal government average drilling and lifting costs,[3] ARI calculated that companies spent $37.4 billion to develop the wells that were drilled. Again, using government data, ARI estimated that the companies paid more than $5 billion in taxes. An IHS study determined that real gross domestic product increased by an average of $4.5 billion per year as a result of oil and natural gas production from these leases and that employment increased by 91,000 jobs in 2005.[4]

Given rising capital costs and extended project development timelines, strategic royalty relief would provide critical support for long-cycle domestic offshore

[2] https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=mcrfp3fm2&f=m

[3] https://www.api.org/news-and-media/docs/~/media/files/news/2012/12-february/deep-water-leases-netted-government-3billion-pumped-billions-into-economy.ashx

[4] https://www.api.org/~/media/files/news/2010/the%20economic%20impact%20of%20producing%20oil%20and%20gas%20from%20ocs%20leases%20under%20the%20deep%20water%20royalty%20relief%20act%20of%201995.pdf

investments. Without such relief, capital could instead flow to jurisdictions with more competitive fiscal terms. Interior should consider developing and implementing programmatic royalty relief to achieve success similar to that achieved by the Deep Water Royalty Relief Act of 1995. Appropriate royalty relief would encourage additional exploration and production activity in the Gulf and even the playing field for activity in U.S. waters at a time of uncertain and challenging economics for the industry. This increased activity will put American companies to work, encourage further domestic oil and gas production, increase receipts to the U.S. Treasury, increase energy security, lower energy costs for Americans, and help promote the country's ascendancy to energy dominance.

The U.S. offshore energy sector operates in a global market, with total global oil production and demand at about 100 million barrels of oil per day (mb/d). About 25-30 percent of global oil production, or 25 to 30 mb/d, comes from global offshore regions. It is thus imperative that U.S. policy includes the mechanisms to attract investment to *U.S. projects*, rather than lose that investment capital to other regions of the world. Targeted royalty relief can increase the attractiveness of exploring for and producing more oil in America's offshore regions utilizing the hard-working Americans employed by our members.

Interior has broad authority to create a system of programmatic royalty relief, and the global competition for investment in offshore projects justifies a system that includes royalty relief. OCSLA, as amended by the Deep Water Royalty Relief Act of 1995, provides the Secretary with wide authority "to reduce or eliminate any royalty" to increase production or promote development (43 U.S.C. Sections 1337 (a)(3)(A) and (B)). Similar to the relief provided by the Deep Water Royalty Relief Act for projects in deep water, Interior can define parameters or eligibility for royalty relief throughout the offshore region based upon conditions such as the price of oil or gas, by volume of oil or gas produced subject to relief, time period, operating conditions, oil and gas field or formation, or other factors. We encourage Interior to begin the process of considering a modern royalty relief program to induce and maintain investment in the U.S. offshore region, and NOIA and its members stand ready to assist in this effort.

The U.S. could emerge as a global leader in offshore carbon sequestration, but carbon sequestration regulations are overdue and needed

NOIA members and the broad offshore energy industry are also driving investment and efforts to establish the U.S. as a leader in carbon capture, use, and storage (CCUS). Critically, this includes carbon sequestration on America's outer continental shelf – an opportunity which will require not only private capital but also coordinated effort by Interior and others in government.

We are now approaching four years since the passage of the Infrastructure Investment and Jobs Act of 2021 (IIJA), which amended the Outer Continental Shelf Lands Act to specifically authorize competitive leasing for, and regulation of, the injection of carbon dioxide streams into sub-seabed geologic formations of the outer continental

shelf for long-term storage of carbon dioxide. The IIJA also included a mandate for Interior to promulgate regulations to implement this new authority within one year of enactment, or by November of 2022. The previous Administration failed to actually propose any such regulations, even though we understand the draft rule spans 1,500 pages. We urge the Trump Administration to more efficiently move forward with the necessary steps in the regulatory process to develop a well-structured regulatory framework. This effort should include an open process – whether through an advanced notice of proposed rulemaking or proposed rule – that will enable all stakeholders to carefully craft and refine efficient and comprehensive regulations. This thoughtful and deliberate approach, in collaboration with an experienced offshore industry, is key.

The U.S. Gulf of America provides tremendous advantages for an emerging U.S. CCUS sector. The Gulf of America is characterized by vast geologic prospects for storage of carbon dioxide, extensive and established energy infrastructure along the Gulf Coast, a proximity to industrial centers for capturing emissions, and an engineering and energy knowledge base and workforce, along with associated research and development capabilities.

Investment continues to flow to major offshore sequestration projects outside of the U.S., including the North Sea, Southeast Asia, and Australia, among others. The Gulf Coast region is distinctly situated to compete globally and emerge as a global hub for CCUS. The Gulf Coast is home to the full supply chain of energy companies with the engineering experience, expertise, and vision to deploy CCUS projects with the scale and efficiency necessary for success. As with any capital-intensive industry, the U.S. CCUS sector requires certainty and predictability in the regulatory system, both at the state and federal level. Without a regulatory framework, investment will continue to be tabled or diverted to other regions.

Over the past three years, the industry has worked closely together among its trade associations in order to bring a strong foundation of offshore carbon sequestration expertise and competency to the dialogue with BOEM and BSEE to help ensure the development of an effective regulatory framework, and to utilize collaborative efforts within the industry to build progress to our mutual goal of advancing projects in the U.S. We appreciate the support of Secretary Burgum for the advancement of federal policies in support of the U.S. CCUS industry. Secretary Burgum made clear the importance of positive policy action after EPA granted primacy to West Virginia: "This is a great day for West Virginia and it's a great day for America because we're delegating responsibility back to the states where it belongs and where it can be responsibly executed. In the Trump Administration, we are going to focus on innovation, not regulation to solve problems. That is the key to the prosperity of our country." Our industry supports diligent advancement by Interior of the regulatory framework for carbon sequestration in the federal outer continental shelf, and we stand ready to help establish a safe, predictable, and durable regulatory environment for offshore CCUS in a way that provides for innovation and flexibility.

The interplay between energy dominance and U.S. tariff policy

Tariffs are having a very real and tangible impact on investment in offshore projects. The U.S. energy industry is highly intertwined with global markets. In 2024, the U.S. exported 4.1 mb/d of crude oil and 6.7 mb/d of petroleum products, while importing 6.6 mb/d of crude oil and 1.8 mb/d of petroleum products. Though the U.S. is a net exporter of crude oil and petroleum products, U.S. refiners rely on imports of heavier grade crude oil from countries like Canada. Additionally, the U.S. exported 7.7 trillion cubic feet of natural gas in 2024 which helped provide energy security for our allies and enabled importing countries to lower their emissions by switching from coal to natural gas-based electricity production. In total, in 2024, the U.S. exported $298 billion of oil and gas products, helping to reduce the trade deficit and bolster U.S. energy dominance.

Beyond trade in oil and gas products, the U.S. imported $10 billion worth of oil and gas related energy equipment, including billions of dollars of piping that facilitate oil and gas production. Tariffs and trade restrictions could not only hamper the U.S.'s ability to export its oil and gas products but also its ability to acquire the goods it needs to increase its production. For example, the United States International Trade Commission found that, due to the section 232 steel tariffs, sourcing domestic steel cost the oil and gas extraction industry $102 million more in 2021 and the tariffs reduced the industry's production value by $586 million between 2018 and 2021.[5] U.S. offshore producers rely on imported steel, specifically specialty steel tubulars, as opposed to recycled steel that U.S. steel manufacturers typically produce. Tariffs on these goods increase the offshore oil and gas industry's input costs yet provide little benefit to domestic steel producers, as there are few if any domestic substitutes.

According to the June 2025 whitepaper, "New Tariffs and Their Impact on Equipment Trade," by Rystad Energy, offshore oil and gas project costs are projected to increase by 8% year-over-year due to tariffs on steel, aluminum, and other critical energy infrastructure components.[6] An 8% increase in the costs for an offshore project is meaningful and impactful. With the average lifecycle costs for a deep water project estimated at more than $8 billion and a shallow water project at more than $1 billion,[7] an 8% cost increase from tariffs could result in $700 million in increased costs for a deepwater project and $100 million in increased costs for a shallow water project. These additional costs compound already significant price pressures: from 2020 to 2024, offshore project costs rose by 20–40% as global supply chains tightened. Notably, Rystad's analysis was based on a 25% steel tariff – a figure that was recently increased to 50%, so the impact is expected to be even more pronounced than originally projected. As a result, project delays are becoming more widespread. Rystad estimates that over $50 billion in offshore greenfield projects have now been deferred into 2026 or later, as developers navigate a mix of policy uncertainty and rising capital

[5] https://www.usitc.gov/publications/332/pub5405.pdf
[6] https://www.rystadenergy.com/insights/new-tariffs-and-their-impact-on-equipment-trade-whitepaper
[7] https://www.noia.org/gulfanchor/#flipbook-gom-project-lifecycle-report/1/

costs that continue to delay final investment decisions (FIDs).

We urge Interior to coordinate with interagency partners, including Commerce and the U.S. Trade Representative (USTR), to remove tariff barriers that raise project costs unnecessarily and inhibit offshore investment. We applaud the Trump Administration's decision to take steps to provide targeted tariff relief for certain sectors. President Trump's April 29, 2025 announcement of targeted tariff relief for the auto sector demonstrates his vision for achieving key national security and sector dominance objectives. U.S. offshore energy producers need similar targeted tariff relief in order to achieve energy dominance, increase investment in future projects, and put more Americans to work in our sector. Specifically, an end-use exclusion for the equipment, materials, and supplies used in U.S. offshore energy projects will create the market certainty U.S. offshore energy producers need to realize our shared goals.

Global competitiveness of U.S. offshore wind

The inherent synergy between offshore oil and gas and offshore wind development is readily apparent. Companies rooted in the offshore oil and gas supply chain have built additional opportunities through the emerging U.S. offshore wind sector and have already played a pivotal part in advancing offshore wind projects. For example, throughout the Gulf Coast region, you will find steel fabricators, offshore service vessels, heavy lift vessel operators, subsea construction companies, helicopter service providers, geophysical and geotechnical survey companies and more who have built their experience in the oil and gas industry and who have already diversified their portfolios incorporating offshore wind scopes into their expected revenue streams. A generation of Louisianan, Texan, and other Gulf Coast oil and gas service and maritime companies have already begun applying their skills and experience to expanding our American energy supply with offshore wind.

We urge Interior to accelerate the timely review and approval of construction and operations plans (COPs), issue permits efficiently, and provide regulatory certainty that will unlock the next wave of investment activating American shipyards, creating high-quality jobs, and accelerating the buildout of infrastructure needed to deliver reliable, domestic energy to the East Coast. With power demand surging due to AI, data centers, and advanced manufacturing, offshore wind is an important part of an all-of-the-above solution. Companies throughout the supply chain – from Louisiana to Texas to Florida to North Carolina and more – will be able to see the return on their investments.

Offshore wind is a strategic economic and industrial driver. It helps America compete with China, protects our maritime independence, and delivers on the national priorities laid out in President Trump's Executive Order 14269, *Restoring America's Maritime Dominance*. China is rapidly expanding its global shipbuilding and offshore energy footprint. Offshore wind gives the U.S. a strategic opportunity to compete – not by outsourcing – but by investing in American yards, workers, and supply chains.

Building up our own commercial fleet strengthens national resilience and shores up critical infrastructure.

Since 2013, BOEM has held fourteen competitive offshore wind lease sales, bringing in more than $6 billion in winning bids to the federal treasury alone.[8] More than $25 billion has been invested nationally in offshore wind projects, spanning forty states.[9] This has induced massive investments in manufacturing, shipbuilding, and U.S. port infrastructure. With regulatory policy certainty, there is expected to be tens of billions of additional dollars of investment to flow into the U.S. from offshore wind projects. The continued approval of plans and permits by the department can forge the way for U.S. leadership and investment in the country's offshore wind market.

Conclusion

Thank you for the opportunity to provide comments on regulatory reform with the Department. NOIA and its members stand ready to work with the Department and the Administration to advance our common objective of energy dominance. Please contact Erik Milito or Coby Sammis (csammis@noia.org) with any follow-up questions or to set up a meeting.

Very Respectfully,

Erik Milito
President
National Ocean Industries Association

[8] https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/Swiler%20Table%20-%20Offshore%20Wind%20Competitive%20Lease%20Sales_0.pdf
[9] https://oceantic.org/press-releases/offshore-energy-sector-revitalizing-american-industries-creating-new-jobs/