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U.S. Department of the Interior
Office of the Solicitor
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Washington, D.C. 20240

Subject: Comments of the National Ocean Industries Association, U.S. Department of the Interior National Environmental Policy Act Implementing Regulations, Interim Final Rule, Docket No. DOI-2025-0004

To Whom It May Concern,

Thank you for the opportunity to provide input on the Department's request for comments on the interim final rule on the Department's implementing regulations for the National Environmental Policy Act (NEPA). Similar to the Department's recent efforts to broadly implement regulatory reform, the interim final rule serves to promote 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." We appreciate and applaud Interior's efforts through this rulemaking to finalize "wholesale revision and simplification of the regime…to ensure efficient and predictable reviews, with significant upsides for the economy and for projects of all sorts."

The Interests of the Offshore Energy Industry

For more than 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 operators, leaseholders, and developers along with 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 and mineral resources.

Offshore energy is not simply a regional issue confined to the Gulf of America, Alaska, Pacific, or Atlantic coasts, or to the states immediately adjacent to offshore projects. Every U.S. state has jobs, investment, and economic activity directly linked to offshore energy, through manufacturing, engineering, logistics, fabrication, shipbuilding, and a wide range of support services. Ensuring a fair, predictable NEPA process for offshore projects is about more than coastal communities – it's about protecting existing jobs and creating tens of thousands of new jobs, investments, and

opportunities for workers and families nationwide. It's also about reinforcing environmental stewardship and conservation, principles that are actively demonstrated every day across America's offshore energy industry.

NOIA and its members have a direct interest in the Department's implementation of NEPA. Federal regulation – and NEPA in particular – 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 frameworks and timing. For these producers, the ability to move projects from concept to construction and into production hinges on a streamlined and efficient regulatory environment.

NEPA Historic and Ongoing Impacts

Companies investing in offshore energy projects must commit massive amounts of capital – often amounting in the billions of dollars – in order to design, sanction, develop, construct, and operate a project in the U.S. outer continental shelf (OCS). The federal government has the statutory and regulatory authority over virtually every offshore project; as such, NEPA requires that federal agencies assess the project's potential environmental effects to ensure informed decision-making.

However, it is also true that the NEPA process has evolved into an overly complex and time-consuming vehicle that in many cases leads to red tape, project delays, and uncertainty for agencies and businesses alike. From the developers' perspective, the following impacts have been the most detrimental:

1. **Alternatives Analysis**. The final NEPA document provides important information related to the potential environmental consequences of a proposed action to help agencies and decision-makers make better, well-informed decisions. While NEPA is purely procedural, NEPA documents may propose alternatives that are significantly more expansive or restrictive than the action proposed. NEPA documents can thus influence the ultimate decision of a federal agency in ways that can substantially impact the scope, purpose, economics, and viability of the underlying project. For example, one important benefit of the NEPA process is that it facilitates identification of appropriate mitigation measures that can diminish the adverse environmental impacts of a project. However, agency tendency toward overbroad and unnecessarily burdensome mitigation measures — often rooted in an agency's desire to guard against litigation — can be a major source of difficulty for projects.

2. **Delays**. The NEPA process is historically unnecessarily long and drawn-out; such delays have major impacts on the viability and economics of proposed projects. According to CEQ data, the average time from a Notice of Intent to a Record of Decision at the Department of Interior is one of the lengthiest — pushing five years. Remarkably, the five-year timeframe does not include the time before the initiation of the public scoping period, or the time spent grappling with litigation,

ultimately resulting in years of delayed investments that could be providing benefits to the American economy and jobs for American workers. While this is not necessarily the fault of the Department or its employees, and recognizing that the Department has recently announced plans to mitigate this delay through an alternative NEPA compliance process for certain energy projects, it continues to reflect the difficult reality of the historic environment for major infrastructure projects.

3. **Litigation**. NEPA is often at the center of project opponents' litigation strategy in seeking to delay and block both federal and nonfederal activities. This litigation puts at risk and jeopardizes billions of dollars in investment in U.S. projects and thousands of U.S. jobs. In response to the threat of litigation, agencies prepare NEPA analyses in defense of potential litigation, attempting to anticipate every possible objection that could be raised in court, however insignificant and however detached from the intent of NEPA — with mixed ultimate success. The result is that over time NEPA has become less about informing agencies and the public of environmental impacts and more about agencies attempting to avoid lengthy and costly litigation. Between 2013 and 2022, circuit courts heard approximately 39 NEPA appeal cases per year across all sectors, a 56% increase over the rate from 2001 to 2015,[1] reflecting a broader national trend of rising NEPA-related litigation. While NEPA is intended to promote informed decision-making, it has increasingly become a battleground for procedural challenges, not substantive environmental concerns. Activist groups may challenge virtually any aspect of the NEPA process, no matter how minor, forcing agencies into defensive postures and prompting excessive documentation not for actual environmental analysis, but to hedge against the potential for future lawsuits. This undermines NEPA's original purpose and diverts time and resources away from actual environmental protection and project improvement. Meritless litigation erodes regulatory certainty and creates disincentives for investment. In the offshore context, this leads to fewer projects, fewer jobs, and fewer benefits for the American economy and environment.

The Offshore Energy Industry is Poised for Global Leadership

America's offshore region – our nation's blue economy – is well positioned to drive the U.S. to greater economic growth, energy and national security, continued employment gains, government revenues, and energy affordability and reliability. The offshore region has been a global leader in oil and gas production for the past several decades and has room to grow. The U.S. offshore region is blessed with favorable geology and proximity to infrastructure and markets. It is thus extremely well positioned to be a global leader in carbon sequestration. The U.S. offshore wind industry is making massive investments in U.S. manufacturing, shipbuilding, and port infrastructure, and continues to serve as a strong counterbalance to China in the global energy competition. Finally, deep-sea mining has emerged as a vitally important industry to elevate U.S. interests in securing essential supplies of critical minerals.

[1] Understanding NEPA Litigation, The Breakthrough Institute, July 11, 2024

Individually and combined, these subsectors form a strong U.S. offshore energy sector that injects billions of dollars in investments in the country and advances the Administration's objective of energy dominance. NEPA plays a central role in the federal government's decision-making process for offshore energy projects in each of these areas.

Offshore Oil and Gas

For more than 80 years, the offshore oil and gas industry has proven to be a mission critical asset for the United States by safely producing vast quantities of oil and gas in the Gulf of America to fuel our economy. We are fortunate in the United States that our Gulf region is up to the task of delivering the oil and gas our economy needs. Production volumes from the U.S. Gulf of America place it among the largest oil producing countries. Production from the Gulf has been steadily increasing over the past 30 years. The Gulf has been producing more than one million barrels of oil per day since 1997 and the Gulf hit its highest level of oil production on record of 2.044 million barrels per day in August of 2019, just before the onset of the pandemic.

The deepwater U.S. Gulf of America in particular has reached a position of global leadership in oil and gas development. Based upon trends in discoveries and third party research, the U.S. Gulf of America can be a strong contributor for U.S. and global oil supplies through 2040 and beyond. With additional Gulf oil and gas projects coming online – such as Anchor, Shenandoah, Whale, Katmai West, Salamanca, Winterfell, Kaskida, Zephyrus, and others – Gulf production could grow substantially over the coming years. According to Wood Mackenzie, deepwater projects in the Gulf are expected to bring an additional 300,000 barrels per day online in 2025 and another 250,000 in 2026. [2] These long-planned investments will help offset declines in onshore production and secure future supply.

Companies will naturally invest where there is more certainty, and NEPA has historically served as a driver of investment uncertainty. Interior's revised and simplified NEPA regime provided in the interim final rule will serve to alleviate unnecessary and time-consuming speculative analysis, while ensuring the procedural analysis required by NEPA is conducted. It is critical that the U.S. does not cede ground in offshore energy production to other regions and that it recognizes that it is in the best interests of Americans to encourage and attract investment to U.S. offshore production opportunities. The numerous adverse consequences of eliminating or scaling back offshore oil and gas production negatively impacts all Americans, most particularly those struggling to cope with increased energy costs

Carbon Sequestration

The U.S. Gulf of America provides tremendous advantages for an emerging U.S. Carbon Capture, Utilization, and Sequestration (CCUS) sector. The Gulf of America is characterized by vast favorable geologic prospects for storage of carbon dioxide,

[2] Record US Gulf Oil Output to Soften 2026 Production Decline, Bloomberg, June 10, 2025.

extensive and established energy infrastructure along the Gulf Coast, a proximity to industrial centers for capturing emissions, and an experienced 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 uniquely situated to compete globally and emerge as a global hub for CCUS. From a storage perspective, the saline water and sandstone reservoirs in the near shore OCS of the Gulf have unrivaled storage capacity for CO2. In addition, 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, at both the state and federal level. Without a regulatory framework, investment will continue to be tabled or diverted to other regions.

Fortunately, the Infrastructure Investment and Jobs Act of 2021 (P.L. 117-58) included Sec. 40307, explicitly authorizing the Department to grant leases, easements, or rights-of-way on the U.S. OCS for the purposes of long-term storage. It also directed the Secretary to issue regulations to that effect within one year of enactment. 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 Class VI 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 OCS, 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. NEPA will factor into Interior’s future carbon sequestration program, and we are hopeful that Interior’s revised NEPA regime will streamline the pathway for future offshore carbon sequestration projects.

Offshore Wind

While the shifting government policies create uncertainty and will impact ongoing investment, the first wave of projects for domestic offshore wind-related manufacturing demonstrate the vast potential of the sector. An estimated thirty-four large component manufacturing facilities are projected to be established, along with

many capital improvement projects at manufacturing ports and the construction of facilities for dedicated marshaling ports and large installation vessels.

Specific Investments and Costs

- Manufacturing Facilities: 34 new facilities needed by 2030.
- Port and Vessel Investments: Over $11 billion required.
- Total Investment: At least $22.4 billion for facilities, ports, and vessels.
- Cost Competitiveness: Domestic components could be cost-competitive due to lower transport costs, avoided tariffs, and IRA incentives, though local labor rates may impact this.
- Manufacturing Costs: Facilities could cost $200–$400 million each and take 3–5 years to build.

Offshore wind is powering a new era of American shipbuilding. At a time when the U.S. must reassert its maritime leadership, offshore wind is creating reliable demand for U.S.-built vessels, revitalizing shipyards, and sustaining thousands of skilled jobs across the country. President Trump's Executive Order on Restoring America's Maritime Dominance (April 9, 2025) prioritizes the revitalization of U.S. shipbuilding as a national security imperative. Offshore wind is delivering exactly that — restoring our industrial base and supporting the domestic maritime workforce with real, shovel ready projects. 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.

The development of the U.S. offshore wind sector is already demonstrating how it will be a substantial source of new jobs and investments throughout the country, with a supply chain that flows through at least 40 U.S. states. There are 'multiplier effects' through three types of impacts that wind development has on a local economy: direct effects created by local manufacturing, local construction activities and local services; indirect effects, such as increase in local demand for goods and services due to increased local wealth; and induced effects created by increases in wealth stemming from direct and indirect local spending by persons involved in offshore wind development and operation.

Overall, the build-out of US offshore wind from 2023 to 2030 is expected to support an average of 31,300 jobs per year, through construction and installation, 2,400 on-site, and 29,000 off-site, across the supply chain. These are good paying jobs that will support many American communities.

Implementing NEPA in a way that fosters predictability across all energy sectors will help unleash wind as a powerful driver of shipbuilding and manufacturing, as well as a much-needed source of variable baseload energy as the demand for electricity increases, especially in the near term. NEPA review in conjunction with the processing of construction and operation plans substantially impacts the approval and

timing of investments and the deliverability of offshore wind projects. Efficient review is imperative.

While the need for reform and the reintroduction of common sense into NEPA reviews is clear, it is equally important to recognize that extensive NEPA analysis has already been laboriously completed for several offshore wind projects and necessary permits have been issued for ongoing projects. Relying on these completed efforts, wind developers and American companies throughout the country and supply chain have invested billions of dollars to create jobs, build ships, and enhance U.S. power generation, manufacturing, and global competitiveness. Without detracting from the necessary reforms to NEPA and its process, recognizing the need for regulatory certainty and the concomitant reliance on already completed governmental analysis and approvals, we urge the administration to allow offshore wind projects that have already endured the existing NEPA gauntlet to continue. In short, agencies should avoid revisiting NEPA reviews and upending the business community's need to rely upon completed government action which will only disrupt the flow of future investment to U.S. workers and businesses. Similarly, the revised process should apply equally to all offshore energy industries and the processing of future approvals.

Deep-Sea Mining

Deep sea mining provides a substantial opportunity for countries around the world to secure vital supplies of critical minerals. Polymetallic nodules have been discovered in deep sea regions throughout the world, generally located at water depths of 4,000 – 7,000 meters. Polymetallic nodules have been found to include cobalt, lithium, manganese, nickel, tellurium, titanium, and rare earth elements. The Cook Islands, Japan, and Norway have already taken steps to explore for and/or develop critical minerals in their national waters. The U.S. OCS is a promising region for potential development of critical mineral resources for the benefit of U.S. consumers. The U.S. OCS includes not only those submerged lands adjacent to U.S. states, but also offshore areas adjacent to U.S. territories. According to Interior's Bureau of Ocean Energy Management, many of the U.S.'s critical minerals and all the rare earth elements lie in the U.S. OCS.

In recognition of this strategic opportunity, on April 24, 2025, President Trump issued Executive Order 14285, *Unleashing America's Offshore Critical Minerals and Resources*. This Executive Order takes a strategic step toward reshoring critical mineral production and strengthening America's energy and national security. Demand for minerals like cobalt, nickel, and rare earth elements is accelerating at an unprecedented pace. Without such action, the U.S. risks falling behind. China currently holds a dominant position in the global supply chain for these resources, and our overreliance on foreign adversaries poses a clear threat to our economic and national defense capabilities.

Modern life — from advanced technologies to military systems — relies on critical minerals. Yet the supply outlook shows a looming shortfall. The U.S. OCS holds vast,

untapped reserves—including many of the most vital critical minerals and all known rare earth elements. Fortunately, America's offshore energy sector, anchored by the innovation-driven companies along the Gulf Coast, is uniquely equipped to lead in this space. These companies bring decades of experience in safely operating in complex marine environments and are ready to responsibly develop the resources we urgently need. NEPA implementation must be efficient and streamlined as Interior moves forward to advance the President's Executive Order 14285.

Specific Comments on the Interim Final Rule

NOIA supports Interior's approach in revising and simplifying the Department's NEPA regulations and in amending the Department's NEPA handbook to incorporate the procedures. Project investors and developers are most affected through the implementation of the statute and procedures, because the implementation can substantially affect the scope, scale, economics, and viability of the projects under consideration. The interim final rule importantly commits to addressing three important aspects of NEPA: retention of the emergency response provisions; retention and improvement of the categorial exclusion provisions; and retention of the provisions allowing for hiring contractors or relying on applicants to prepare environmental information.

Furthermore, we encourage Interior to take steps to ensure that the central points of the *Seven County* case and the NEPA provisions of the Fiscal Responsibility Act are incorporated into Interior's NEPA process and applied equally and uniformly across all of the offshore energy industry. Specifically, we encourage incorporation of the following key principles and points from *Seven County* and the Fiscal Responsibility Act into the Department's NEPA process, handbook, and regulations:

Seven County:

1. NEPA review must focus on the proposed action, or the project at hand, and *not* "future or geographically separate projects that may be built (or expanded) as a result of or in the wake of the immediate project under consideration."
2. "[I]f the project at issue might lead to the construction or increased use *of a separate project* – for example, a housing development that might someday be built near a highway – the agency need not consider the environmental effects *of that separate project*." [Emphasis in original.]
3. "The effects of a separate project may be factually foreseeable, but that does not mean that those effects are relevant to the agency's decisionmaking process or that it is reasonable to hold the agency responsible for those effects."
4. "[A]gencies are not required to analyze the effects of projects over which they do not exercise regulatory authority." As such, Interior should implement NEPA and include in its handbook or regulations specific language that Department agencies should not analyze the effects of projects over which they do not exercise authority.
5. "[N]othing in NEPA requires [an agency] to go further and study environmental

impacts from upstream or downstream projects [or activities] separate in time or place from [the proposed action]."

6. "Indeed, federal law strictly *prohibits* an agency's Environmental Impact Statement (EIS) from going on endlessly." [Emphasis in original.]

Based on this important decision, Interior should include in its handbook and regulations specific instruction that Department agencies should not analyze the effects of projects over which they do not exercise authority, regardless of whether or not the projects may be factually foreseeable, and, further, that Department agencies should not analyze upstream or downstream projects or activities that are separate in time and place from the proposed action.

Fiscal Responsibility Act:

7. Defines a "major federal action" as one that the agency carrying out the project determines is subject to substantial Federal control and responsibility.
8. Sets deadlines for completing EISs at two years and Environmental Assessments (EAs) at one year.
9. Sets page limits of 150 pages for EISs and 75 pages for EAs.
10. Requires the designation of a single lead agency to coordinate with other agencies and oversee the preparation of a single environmental document.

While we applaud the Department for already incorporating most of these important concepts into its handbook, Interior should implement NEPA accordingly to ensure consistency with these statutory requirements.

Implementation of a NEPA regime consistent with the above points and principles will provide future project sponsors with greater confidence to invest in U.S. projects and avoid the uncertainty that has plagued the NEPA process based upon massive and restrictively written environmental documents, extensive delays in the NEPA process, and litigation. Incorporating the above points and principles into the process and regulations and applying them consistently across the offshore energy industry and all industries will provide greater durability and certainty for project developers.

Conclusion

Thank you for the opportunity to provide comments on the interim final rule. The offshore energy industry requires a streamlined, efficient, and predictable regulatory environment to confidently invest in U.S. offshore projects. Improvements to NEPA review are critical to improving the overall regulatory environment for offshore energy projects and achieving energy dominance, as is structuring this review process to provide stability across administrations. Safety and environmental protection are core values for NOIA member companies. These values continue to be advanced through industry and company standards and practices, engineering and design, equipment and technologies, safety systems, risk management and mitigation, and the comprehensive regulatory framework. 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 (milito@noia.org) or Coby Sammis (csammis@noia.org) with any follow-up questions or to set up a meeting.

Very Respectfully,

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