

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2561 Rayburn House Office Building
Washington, DC 20515-6515

July 11, 2024

The Honorable Deb Haaland
Secretary
U.S. Department of the Interior
1849 C Street NW
Washington, DC 20240

Dear Secretary Haaland:

The House Committee on Small Business (the Committee) writes to investigate the Biden Administration's rulemaking prohibiting new oil and gas leasing in the National Petroleum Reserve in Alaska (NPR-A), prohibit new coal mining leases in the Powder River Basin, as well as its decision to block the Ambler Road project.¹ These actions, especially when taken together, are another assault in President Biden's war on American energy and resource independence. The Committee is incredibly concerned about the disparate impact these decisions will have on small businesses, not only in the energy and resource sectors, but also in the surrounding local communities.

Since 2021, President Biden has attempted to remove 11 million acres of land in the Gulf of Mexico from lease sale 261, blocked the licensure of liquified natural gas projects, and now prohibited oil extraction on 13 million acres in Alaska.² Prohibiting just one major future oil and gas project will increase the price of oil and gas for all American consumers. Prohibiting multiple oil and gas projects will have a substantial impact on the cost of energy. Additionally, coal leasing bans will further increase energy prices. In total, the Biden Administration has functionally prohibited oil extraction on over 41 million acres of land.³

Despite intentionally taking actions to harm the oil and gas industry, the Biden Administration claims that oil and gas companies are "price gouging" American consumers.⁴ In reality, the heightened prices Americans are forced to pay for energy, gas, or oil come directly as a result of the President's actions. Small businesses are a cornerstone of the oil and gas industry,

¹ Becky Bohrer & Matthew Daly, *Biden Administration Restricts Oil and Gas Leasing in 13 million acres of Alaska's Petroleum Reserve*, ASSOC. PRESS (Apr. 19 2024); Adam Federman, *Biden set to Block Ambler Mining Road in Alaska Wilderness*, POLITICO (Apr. 16, 2024); Maxine Joselow, *The U.S. just took its biggest step yet to end coal mining*, THE WASH. POST (May 16, 2024).

² Ella Nilsen, *Biden Administration Bans Drilling in Nearly Half of Alaska Petroleum Reserve in Sweeping Win for Climate Advocates*, CNN (Apr. 19, 2024).

³ News Release, Dept. of the Interior, *Biden-Harris Administration Takes Critical Action to Protect Alaska Native Subsistence, Lands and Wildlife* (Apr. 19, 2024).

⁴ Jeff Stein, *Biden Turns up Pressure on Corporate Price Gouging as 2024 Nears*, THE WASH. POST (Dec. 1, 2023).

as well as the industries which support it. This Committee has repeatedly warned the Biden Administration that its rules and decisions were harming American industry, small businesses, and consumers, yet they continue to bombard the oil and gas industry with copious rules and restrictions.

In addition to the prohibition on leasing in Alaska, the Biden Administration prohibited the construction of Ambler Road through a similar region of Alaska, which would shut down efforts towards a strategic mineral mining operation, the Ambler Mining District.⁵ Notwithstanding concerns that the Administration is intentionally killing potential business opportunities for the energy sector, with this action the Biden Administration also ended numerous opportunities to develop local small businesses around oil and gas operations, and the potential extraction of copper and zinc deposits.

What's more, the Bureau of Land Management (BLM) indicated it would no longer issue coal mining leases in the Powder River Basin.⁶ For decades small communities and businesses have grown to support the existing mining operations—this move paves the way for the death of these towns, businesses and communities, as current leases eventually expire and the path for future growth is halted.⁷ The way of life in these communities will be upended in a similar manner to what we have seen across the Rust Belt and Appalachia when manufacturing and mining jobs left those regions.

As with nearly every other action the Biden Administration has taken related to fossil fuels and mining, these actions will cost American consumers and businesses money without achieving any real environmental benefit. Cars still need oil, batteries still need mineral resources, and power plants still need natural gas and coal. Removing American oil, gas, coal, and mineral resources from the supply chain has no impact other than exporting greenhouse gas emissions abroad—where environmental protections are likely weaker—taking money out of the hands of American small businesses and putting it in the pocket of an OPEC nation, Russian oligarch, or Chinese state-owned business.

At a time when small businesses are suffering, President Biden must properly consider the needs of American small businesses before taking such dramatic actions which would cause immense harm. America's small businesses deserve to have their voices heard and considered. We therefore request the following information as soon as possible but no later than July 26, 2024:

1. What weight did the Biden Administration give to the consideration of the harm humans would suffer if there were to be an energy shortage?

⁵ Lisa Friedman, *Interior Said to Reject Industrial Road Through Alaskan Wilderness*, THE N.Y. TIMES (Apr. 16, 2024).

⁶ Maxine Joselow, *The U.S. just took its biggest step yet to end coal mining*, THE WASH. POST (May 16, 2024).

⁷ Brian Entin, *Energy Capital of the Nation reacts to New Climate Orders; Mayor Says She's Ready to Talk to Biden*, ABC NEWS 27 (Jan. 29, 2021)

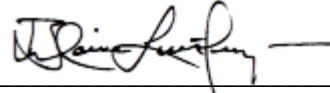
2. What evidence does the Biden Administration have the oil and gas companies are “price gouging” with their current prices?
3. While blessed with considerable natural resources, America lacks control of the supply chains for the strategically important minerals, critical minerals and rare earth elements necessary for a 21st century economy. How does the Biden Administration explain its decision to end a project which would mitigate projected global mineral supply shortages?
4. The Ambler Road and potential efforts to develop a mining district in the region were projected to create over 3,900 jobs paying approximately \$300 million in salaries, and oil and gas projects on the North Slope could create thousands more. How did the Biden Administration assess the loss of opportunity for these projects?
5. What factors does the BLM consider when determining the present and future cost impacts of prohibiting future leases?
6. The BLM failed to do a Final Regulatory Flexibility Analysis for its NPR-A rule. The BLM asserts that the final rule would not have a significant economic effect on a substantial number of small entities despite the fact that half of the active lessees in NPR-A meet the Small Business Administration’s criteria of a small business. Additionally, the final rulemaking will impact the four communities within the Reserve that are likely considered small government jurisdictions: Wainwright, Utqiagvik, Atkasuk, and Nuiqsut through diminished receipts on oil and gas production.
 - a. How will the BLM ensure that this rulemaking will not disenfranchise communities within the NPR-A?
 - b. How will the BLM ensure that this rulemaking will not negatively impact small businesses operations within the NPR-A?
 - c. Did the BLM meet with each of these communities and small businesses before promulgating this rulemaking?
 - d. Why did the BLM ignore its responsibilities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.)?

To schedule the delivery of responsive documents or ask any related follow-up questions, please contact the Committee on Small Business Majority Staff at (202) 225-5821. The Committee on Small Business has broad authority to investigate “problems of all types of small business” under House Rule X. Thank you in advance for your cooperation with this inquiry.

In God We Trust,



Roger Williams
Chairman
Committee on Small Business



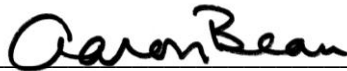
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Aaron Bean
Member of Congress
Committee on Small Business

cc: The Honorable Nydia M. Velázquez, Ranking Member
Committee on Small Business