

Congress of the United States
Washington, DC 20515

August 29, 2022

The Honorable Gavin Newsom
Governor
State of California
1303 10th St, Suite 1173
Sacramento, CA 95814

Dear Governor Newsom:

We write to you regarding serious concerns we have with the federal moratorium on energy development agreed upon between the State of California and the U.S. Bureau of Land Management (BLM) as a result of litigation brought by the state against BLM. This poor decision comes at a time when fuel prices are still too costly, President Joe Biden's administration continues to deplete our oil reserves, and inflation remains at a 40-year high.

The decision prohibits new oil and gas leasing in Central California while BLM conducts a supplemental environmental review. The most recent environmental review is based on the best available science, went through public notice and comment period, and was even scrutinized in several public meetings. Stakeholder concerns were acknowledged and addressed through this transparent process. Ultimately, these lands in the Central Valley were identified as suitable for development.

It appears your administration is playing political games and ignoring the high risk of bureaucratic red tape that will unnecessarily slow this review process down. This announcement comes at a time when we instead need to be streamlining processes and cutting red tape to increase domestic energy production and support local economies with jobs.

The oil and gas industry supports 365,970 total jobs in California, and 38,940 jobs here in the San Joaquin Valley. The industry is also responsible for billions of dollars in state and local tax revenue that funds vital community services like public schools, hospitals, and law enforcement across the state¹. While you have made clear your administration's plans to eliminate this industry and stated in 2021 that California "needs to move beyond oil,"² we hope you consider

¹ Hayes, Eric et al, Los Angeles County Economic Development Corporation, "Oil and Gas in California: The Industry, Its Economic Contribution and User Industries at Risk in 2017", July 2019, 3, 45-51. https://laedc.org/wp-content/uploads/2022/08/LAEDC_WSPA_FINAL_20190814.pdf

² Office of Governor Gavin Newsom. "Governor Newsom Takes Action to Phase Out Oil Extraction in California." Office of the Governor Press Release, April 23, 2021. Gov.CA.gov. <https://www.gov.ca.gov/2021/04/23/governor-newsom-takes-action-to-phase-out-oil-extraction-in-california/>

the detrimental economic impact that overregulation and removal of this industry will have across our region and state.

This energy production setback will result in increased dependence on other nations, particularly our adversaries, for energy sources and prevent the United States from achieving energy independence. In 2019 alone, California's reliance on imports cost the state an estimated \$23 billion³.

While we, as a country, should continue to develop and pursue other sources of energy, we cannot abandon traditional energy sources. We support an all-of-the-above approach to energy production. Until renewable and alternative energy resources are more reliable, we must continue production and development of traditional fuels.

We have seen other nations around the world attempt to only rely on renewable fuels too quickly. They are left with unstable grids and are forced to turn to their adversaries for more reliable fuels. That is not a position we want to find ourselves in.

Instead, we believe the State of California should withdraw its litigation against the U.S. Bureau of Land Management and rescind the settlement agreement due to the harm being done to our country by preventing adequate energy production in the Central Valley. Reckless decisions like the ones that resulted in this settlement continue to jeopardize our hope of once again being an energy independent country. These actions also do irreparable harm to our rural communities by increasing costs and stifling local economies that are already struggling. The benefits of the energy production in question must be considered – this includes energy independence, increased job opportunities, economic prosperity, grid reliability and more.

Considering the current state of the economy, inflation, dangerous consequences of the moratorium, and the benefits of energy production in this region, we ask your administration to work quickly with BLM to ensure production can begin soon.

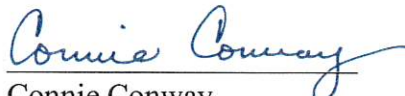
Sincerely,



David G. Valadao
Member of Congress



Kevin McCarthy
House Republican Leader



Connie Conway
Member of Congress

³ Kern Economic Development Foundation, "The Economic Contribution of the Oil and Gas Industry in Kern County", January 2021, 7. https://kernedc.com/wp-content/uploads/2021/04/KEDF-Economic-Contribution-of-the-Oil-and-Gas-Industry-in-Kern-County_-2021.pdf