

OFFSHORE LEASING UNCERTAINTY: TIME TO ACT ON 5-YEAR PROGRAM

BACKGROUND ON THE 5-YEAR PROGRAM:

Since 1980, the U.S. Secretary of the Interior has been required to prepare a 5-year program to best meet national energy needs for the 5-year period, including a schedule of oil and gas lease sales and details on the size, timing and location of proposed leasing activity. The next 5-year offshore leasing program must be in place by July 1, 2022, as the current program is scheduled to expire. There will be no opportunities to obtain new leases for federal offshore development without a new 5-year program in place. Despite their legal obligation to maintain an offshore leasing program, DOI is well-behind schedule in this multi-year regulatory process. Likewise, due to activist litigation and an executive order signed by President Biden declaring a pause in new leasing, which a court overturned, companies have not been able to secure new offshore leases since 2020.

At a time of rising geopolitical volatility and energy prices around the world, the lack of progress toward a 5-year program is creating significant uncertainty over the future of federal offshore leasing.

A LAPSE IN FEDERAL OFFSHORE LEASING COULD JEOPARDIZE AMERICAN ENERGY SECURITY, COST THOUSANDS OF JOBS AND BILLIONS IN LOST STATE AND LOCAL REVENUES.

A study on the economic impacts of a 5-year leasing program delay prepared by **Energy and Industrial Advisory Partners** found:



WHAT'S AT STAKE?



With a 5-year program, the Gulf of Mexico is projected to produce an average of 2.6 million barrels per day of oil and natural gas from 2022 – 2040. **A delay in the program will mean nearly 500,000 barrels per day less over that time period.**



In 2036, the lost Gulf of Mexico production could mean 885,000 fewer barrels of oil and natural gas per day – a **33% decrease from where we'd be with a 5-year program in place.**



A delayed 5-year program **could jeopardize an average of \$5 billion** in U.S. GDP.



370,000 American jobs are supported by Gulf of Mexico offshore production. Nearly 60,000 of those could be lost without a 5-year program. Direct jobs supporting the offshore oil and natural gas industry pay on average \$69,650. That's 29% higher than the national average salary.



On average, \$1.5 billion per year in government revenue could be lost with reduced offshore production. That's revenue that could be used for public education, infrastructure, conservation projects, coastal restoration and hurricane protection programs.



A 5-year program delay **could reduce the \$900 million per year of oil and natural gas revenues** that is allocated to the Land and Water Conservation Fund, a fund which supports the upkeep and maintenance for parks, conservation and recreation efforts across all 50 states.



The \$375 million for state and local governments and \$150 million for the Historic Preservation Fund **could be at risk with reduced revenue** from offshore oil and natural gas production.



U.S. oil and natural gas produced in the Gulf of Mexico is among the lowest carbon-intensive barrels produced in the world. **U.S. GHG emissions could actually increase slightly** in the absence of new leasing in the Gulf of Mexico due to increased foreign imports transported overseas. (Source: [DOI](#))

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