

United States Senate

WASHINGTON, DC 20510

March 30, 2020

The Honorable David Bernhardt
Secretary
Department of the Interior
1849 C St., NW
Washington, D.C. 20240

Dear Secretary Bernhardt,

Thank you for your leadership during this difficult time. As we consider efforts to maintain the drivers of our economy, we ask for your support in providing relief, within your existing authority, to essential industries impacted by the COVID-19 pandemic. America's energy producers face unprecedented challenges, putting hundreds of thousands of jobs, reliable and affordable energy sources, and our national energy security at risk.

Congress is considering a wide array of efforts to ensure our economy continues to function amidst this crisis through industry-appropriate financial resources and regulatory pathways. We hope the Department of the Interior will strongly consider similar efforts to ensure industries operating within the federal estate have the resources and certainty needed to withstand this pandemic. With this in mind, we encourage you to reduce, delay, or suspend the federal royalty payments for oil, gas, and coal to the U.S. Treasury. We also ask that you consider lease term extensions and suspension of production requirements, where appropriate, to help preserve existing energy leases throughout this tumultuous time. To the extent possible, we ask that you preserve the state's share of revenues collected.


As Secretary, you have several authorities that allow you to reduce or suspend royalty payments.¹ While economic conditions will improve over time, providing this necessary relief now will ensure America continues production, essential industry jobs are preserved, and taxpayers receive a fair return from federal lands in the future.


These essential industries are seeking to continue production rather than a bailout and should be given due consideration as such. There is no playbook for the situation we find ourselves in and we must utilize every existing authority to enable them to come out the other side of this hardship intact.


¹ Sections of the Mineral Leasing Act (30 U.S.C. 209), the Outer Continental Shelf Lands Act (43 U.S.C. 1337), and the Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6506a) grant the Secretary the authority to waive, suspend, or reduce royalties from mineral production from the federal mineral estate.


Given these considerations, we urge you to provide necessary relief in the form of a suspension or reduction in federal royalties paid to the U.S. Treasury, particularly for small and midsize producers. Without these measures, it is likely that many companies will cease production, which could cost thousands of jobs and threaten American energy security. These measures of relief will allow a stronger domestic energy industry to emerge and will help maintain America's role as a global energy leader.

Sincerely,


John Barrasso, M.D.
U.S. Senator


John Cornyn
U.S. Senator



Michael B. Enzi
U.S. Senator


Steve Daines
U.S. Senator



John Kennedy
U.S. Senator

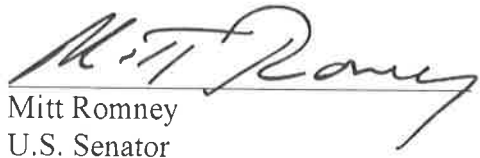

James M. Inhofe
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Bill Cassidy, M.D.
U.S. Senator


Kevin Cramer
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Dan Sullivan
U.S. Senator


John Hoeven
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