

Endangered butterflies get aid in House proposal and drillers pay tab

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Endangered butterflies and desert fish would get millions of dollars in federal funding while oil companies would face new fees and a ban on most offshore drilling under a House committee proposal to fulfill key parts of President Joe Biden's economic agenda.

The details were summarized in a document seen by Bloomberg News

prepared by the Natural Resources Committee, one of a dozen House panels now writing pieces of a \$3.5 trillion budget bill that represents the largest chunk of Biden's economic plan. The document was circulated to lawmakers before a planned Sept. 2 meeting to vote on the panel's portion of the measure.

It sketches out Natural Resources Committee Democrats' ambitions for spending roughly \$31.5 billion on [conservation programs](#), environmental analysis and cleanup of abandoned mines, among other priorities. The proposal, which could be revised before the committee takes up the measure next week, calls for devoting some \$550 million to wildlife recovery efforts, including \$25 million each to endangered butterflies, freshwater mussels and desert fish.

"This is the largest investment in the recovery of endangered species in a generation, and I couldn't be more thrilled," said Brett Hartl, government affairs director at the Center for Biological Diversity. "If we're going to tackle the extinction crisis and save these incredible species from the brink, this is exactly the type of bold action that's needed."

The oil and gas industry would shoulder the burden of paying for much of the proposed spending. The proposals include new fees for idled oil wells, pipeline owners and the inspection of oil and gas facilities. Royalties also would be increased for some minerals, oil and gas extracted from public land.

Spokespeople for the committee and several members, reached by telephone and email after hours, declined to comment on the document. A Democratic member of the committee, who asked not to be identified, confirmed the document's authenticity. Republican staff members said they have heard such a document exists, but it had not been shared with them.

Committee Democrats also will seek to spend some \$3 billion on a new Civilian Climate Corps, according to the document. The program, which would be modeled after the New Deal-era Civilian Conservation Corps, would put Americans to work building clean energy infrastructure, capping inactive wells and conserving land.

Under the plan, committee Democrats would impose or increase more than a dozen fees, penalties and royalty charges on oil, gas and pipeline companies—ultimately raising as much as \$5.6 billion with the changes.

Republicans blasted the plan as an "attack on American energy."

"This is another irresponsible step toward making our country increasingly reliant on foreign adversaries for our energy needs," said Rep. Dan Newhouse, a Republican from Washington. "They are proposing to spend \$50 million to eliminate an important revenue stream and kill thousands of American jobs—all the while relying on royalties to fund their priorities."

Democrats also intend to get rid of a congressional mandate for the government to hold two auctions of oil and gas leases in the Arctic National Wildlife Refuge's coastal plain by Dec. 22, 2024. The requirement was originally adopted by lawmakers a way to pay for the 2017 tax cuts, based on expectations that the lease sales and oil development would yield more than \$2 billion in revenues over a decade.

However, when the first auction was held by the Trump administration in January of this year, the government collected less than \$20 million in high bids. The Biden administration has suspended work on leases sold in that auction, while it conducts fresh environmental analysis of the leasing program.

Committee Democrats now estimate that doing away with the Arctic

refuge leasing requirement would cost just \$40 million, according to the document.

A similar proposal to ban [offshore drilling](#) in most U.S. waters, including the eastern Gulf of Mexico, is estimated to cost \$50 million. Pacific and Atlantic waters also would be off limits, though the central and western Gulf of Mexico—which now provides about 17% of U.S. crude production—would be unaffected.

The proposal is likely to meet stiff opposition in Congress, where Republicans cast such drilling bans as shortsighted bids to abandon U.S. production of fossil fuels that will only escalate energy costs for Americans, weeks after the Biden administration asked foreign crude producers to bolster output.

The Democrats' document mentions only a ban on offshore drilling without further detail—a reference that could be shorthand for ceasing the sale of new oil and gas leases offshore. It is unclear how the ban would treat ongoing oil and gas production or new drilling at existing offshore leases but it could be modeled after legislation the panel advanced earlier this year.

The approach dovetails with Biden's efforts to discourage fossil fuel development and shift the nation toward renewable and emission-free power sources. And it aligns with a plan advanced by Sheldon Whitehouse, Cory Booker and Brian Schatz, all Senate Democrats, to put a fee on emissions of methane, a potent greenhouse gas.

Yet the proposals could present political risk for moderate Democrats in the House, particularly those with significant oil, gas and coal production in their districts. In the Senate, Joe Manchin of coal-rich West Virginia also has signaled his concern about moving too sharply against fossil fuels.

Rep. Bruce Westerman of Arkansas, the top Republican on the natural resources panel, called the reported effort a "ridiculous government overreach and unabashed environmental extremism." Westerman questioned the proposal to establish a Civilian Climate Corps while discouraging investment in domestic energy development.

"At a time when U.S. businesses can't find labor, it's especially atrocious to resurrect a government jobs program for unskilled labor while killing private sector, high-paying careers in energy and minerals," Westerman said in an emailed statement. That will only "send U.S. jobs and wealth to foreign countries and wreak havoc on rural economies."

Speaker Nancy Pelosi said Wednesday during a news conference that work was already underway by committee chairmen in presenting proposals to their panels of what to include in the the budget reconciliation bill.

The reconciliation process being used by Democrats gives them the opportunity to pass the tax and spending plan without Republican support or the threat of a filibuster. However some moderates have balked at the cost, and Pelosi said the goal was to have new spending offset by raising revenue through taxes and fees.

"I would prefer to have it fully paid," said Pelosi, pointing out that the House Ways and Means Committee is exploring other possible sources of funding. Other members are making their views known on that, as well, she said.

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