Dear Governor Newsom:

As you are aware, the Russian invasion of Ukraine has led to broad uncertainty with respect to the national security and economic posture of America and our allies. But one particularly important thing this uncertainty has exposed – clearly evident from the rapid rate at which gas and energy prices have risen across our country over the past two weeks – is that America must do more to restore our energy independence, both to keep prices stable for our citizens and to allow us to use any additional capabilities to help our allies through exports. Your Administration has the ability to harness California’s vast energy resources to help our state and country achieve energy independence, and I implore you to reverse policies you have advanced that harm California-based oil and natural gas producers’ ability to meet our nation’s energy needs and strengthen our national security.

I have urged the Biden Administration to reassess its current anti-energy stance, specifically by fully restarting oil and natural gas leasing on Federal lands; resuming the Keystone XL pipeline project to bring an estimated 830,000 barrels of oil to American refineries per day;¹ and, reversing course on proposals and policies that would substantially increase royalty rates² on American oil and natural gas production on Federal lands. In combination, these actions by the Biden Administration have drastically increased America’s reliance on other oil-producing countries and only further increase energy costs. Yet, thus far, the Biden Administration foolishly insists on limiting itself – to the chagrin of California families facing average prices above $5 per gallon – from using its full range of powers to help Americans feeling the pain at the gas pump.

This is why I implore you to take the lead in bringing needed relief to Californians and Americans across the country by reconsidering California’s current oil and natural gas posture, which has crippled this industry in California, so we can increase domestic energy supplies. Hardworking Americans, and particularly car-reliant Californians who are once again beginning to travel to and from work, are feeling the impacts of rising oil and gas prices – which will likely continue to rise as sanctions against the Russian government, including banning the importation of oil and natural gas from Russia and sanctioning oligarchs that control Russian energy exports, ripple through the global economy.

As you know from your visits to the Central Valley, Kern County, which I represent, has long led the way in producing oil and natural gas for our state. Not only does the Kern County oilpatch directly create and indirectly sustain hundreds of thousands of jobs throughout the Golden State – as well as generate local and state tax revenue – oil and natural gas in Kern County, and more broadly in California, are produced under strict environmental regulations in order to develop energy while ultimately reducing emissions.

California producers have the ability to produce more environmentally responsible oil and natural gas to help stabilize and reduce gas prices. In 2018, prior to you assuming the governorship, our state produced more than 463,000 barrels of oil per day, much of which was consumed by American families, particularly those living and working in California. Compounded by the Biden Administration’s anti-energy policies, our state produced approximately 374,000 barrels of oil per day in 2021. This self-inflicted reduction of almost 20% from 2018 production levels is all the more bewildering given that our President is begging foreign oil producers to pump more oil instead of looking at our own cleaner resources!

Furthermore, in 2021, the United States imported roughly 209,000 barrels of crude oil per day from Russia, with over 50,000 of these barrels imported into California. However, California produced 89,000 less barrels of crude oil per day in 2021 than it did in 2018. This means the Golden State’s oilpatch likely has the capability to more than offset our state’s imports of Russian oil, yet your Administration’s production method bans and various anti-oil and natural gas policies remain in place, preventing crude oil and natural gas production from returning to 2018 levels to reduce our state’s dependence on Russian energy. The United States could likely offset up to 43% of its current dependence on Russian crude oil if California oil and natural gas production returned to the full 2018 level.

Accordingly, I call on you to rescind your anti-oil and natural gas policies to maximize the potential of California’s energy resources for Californians by Californians, rather than continuing to support Russia through importing its crude oil. Your Administration can do something immediately to start this process – there are more than 1,000 pending permits for new oil and natural gas wells sitting on the desk of your State Oil and Gas Supervisor that can be approved today. Allowing these producers to responsibly develop our God-given resources,

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3 Data compiled by California Independent Petroleum Association (CIPA)
4 American Fuel and Petrochemical Manufacturers - U.S. Imports of Oil and Petroleum from Russia
5 https://www.eia.gov/petroleum/imports/companylevel/
consistent with state laws and regulations, will only help California consumers and reduce any need for imported Russian oil.

In addition, your Administration can help all Californians and Americans across the country by making the following changes:

• Repealing your Executive Order, issued on April 23, 2021, banning hydraulic fracturing in California’s oil fields;
• Reversing your Administration’s ban on cyclic steam, a form of enhanced oil recovery using high pressure steam;
• Repealing your anti-oil and natural gas production Executive Order issued on September 23, 2020; and,
• Granting California producers’ pending permit applications and new permit applications going forward to allow increased oil and natural gas production – given that your Administration has only granted 67 new drilling permits in 2022, while over 1,000 Notice of Intent permit applications await review, as noted above.

As Russia continues to attack Ukraine, it is critical that we actively work to replace Russian oil imports – which total about 6.17% of California’s total oil imports – with cleaner American energy that can be produced right here in California by Californians. Taking action to increase energy production at home would also increase domestic energy supplies – potentially helping blunt increases in already-soaring gas prices seen across our state.

Rather than your Administration’s policies causing or exacerbating rising gas and energy prices in California, our state should be focused on working to promote responsible oil and natural gas development to stabilize prices and reduce Russian oil imports into California and the United States. Our constituents deserve nothing less and I look forward to swift action on your part to help stabilize or reduce prices at the pump.

Thank you for your attention to this important matter.

Sincerely,

KEVIN McCARTHY
House Republican Leader

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6 California Department of Conservation Geologic Energy Management - WellSTAR Data Dashboard
7 https://www.eia.gov/petroleum/importsv/companylevel/