

API's Vision for American Leadership in Energy: Regulatory Recommendations for the U.S. Department of Commerce

The Department of Commerce (DOC) plays a vital role in supporting U.S. energy leadership and security by overseeing regulations that impact offshore energy development and facilitating access to critical global supply chains. Through its regulatory oversight of the Marine Mammals Protection Act (MMPA), Endangered Species Act (ESA), and National Marine Sanctuaries Program, DOC influences the operational feasibility of energy projects, even while not directly responsible for oil and gas development. To support U.S. energy dominance, DOC should prioritize transparency, streamline regulatory processes, and collaborate with industry to implement science-based, practical solutions.

The Bureau of Industry and Security (BIS), International Trade Administration (ITA), and International Trade Commission (ITC) ensure the energy sector remains globally competitive by advancing trade policies that facilitate access to essential materials and technologies. These policies secure access to critical materials and technologies, including goods that cannot be sourced domestically in sufficient quantities or meet necessary procurement specifications. Balanced trade policies that support global supply chains and energy innovation will drive economic growth, enhance U.S. energy leadership, and strengthen energy security.

API has submitted comments on several relevant regulations, which we encourage the transition team to review for additional insights and recommendations.

Included below are the following priorities:

- Rice's Whale Critical Habitat Designation (*NMFS*)
- Biological Opinion (BiOp) for Gulf of Mexico Oil and Gas Activities (*NMFS*)
- Incidental Take Regulations for Gulf of Mexico Geological and Geophysical Surveys (ITR) (*NMFS*)
- Chumash Heritage National Marine Sanctuary (*ONMS*)
- Product Exclusions for Oil & Natural Gas for Section 232 Steel Tariffs
- New Section 232 Investigation for products others than steel or aluminum (*ITC*)
- Section 301 (*ITC*)

NOAA – National Marine Fisheries Service (NMFS)

Key Issues:

- **Rice’s Whale Critical Habitat Designation**

API Ask: Withdraw the proposed rule and propose a new rule that only includes habitat areas that are justified by science.

Context: Based on recent court filings, NMFS has extended the date for completing the final critical habitat rule to July 15, 2025. As proposed, the Rice’s whale critical habitat includes acreage across the central and western Gulf of Mexico covering the areas between 100- and 400-meters water depth. This designation is overly broad and not justified by the best available science and could allow future BiOps to include overly disruptive vessel transit restrictions for oil and gas activities, among other potentially cumbersome mitigation measures.

- **Biological Opinion (BiOp) for Gulf of Mexico Oil and Gas Activities**

API Ask: Complete a new BiOp by the court ordered May 21, 2025 deadline and work with BOEM and industry to develop appropriate mitigation measures that minimize disruptions to current operations while still providing effective protection to endangered species.

Context: If NMFS fails to finalize a new BiOp prior to the existing BiOp’s vacatur, all permitted offshore operations would require a separate ESA consultation, effectively shutting down ongoing operations and production until a new BiOp is issued.

- **Incidental Take Regulations for Gulf of Mexico Geological and Geophysical Surveys (ITR)**

API Ask: Expedite the processing of industry application and associated regulations for new ITRs.

Context: The current ITR for geological and geophysical (G&G) surveys will expire in April 2026. Industry will soon submit an application for new regulations, giving NMFS just over one year to complete the rulemaking process. The new regulations should not be based on precautionary, overly conservative assumptions that overestimate potential impacts or contain errors that lead to disruptions in G&G activities.

NOAA – Office of National Marine Sanctuaries (ONMS)

Key Issues:

- **Chumash Heritage National Marine Sanctuary**

API Ask: Revise regulations to allow existing agencies to manage decommissioning activities.

Context: ONMS recently established the Chumash Heritage National Marine Sanctuary (NMS) offshore California. The new NMS area contains oil and gas platforms that are close to being decommissioned. Decommissioning is currently authorized and effectively managed by the Department of the Interior. The final rule established an unnecessarily

complex path for companies to decommission their platforms, requiring multiple, redundant approvals from existing and newly created agencies and oversight groups.

Bureau of Industry and Security (BIS) and International Trade Administration (ITA)

To sustain historically high levels of American oil and natural gas production, build new pipelines and LNG facilities, expand refineries and petrochemical operations, and maintain the affordability of refined products such as gasoline, diesel, and aviation fuel, the oil and gas sector requires reliable access to essential materials and supplies. These include specialized products necessary for exploration, production, refining, and transportation—many of which can only be sourced from international suppliers to meet the industry’s unique specifications.

Materials and Products Vital to US Energy Affordability and Security

The imports of the following materials and products are indispensable to the operations and growth of the oil and gas sector. This is not an exhaustive list but will be updated based on the needs of U.S. oil and gas expansion in the months and years ahead. Their availability directly impacts efficiency, safety and innovation within the industry:

- **Crude oil**, sourced from a variety of suppliers outside the U.S., especially Canada, to U.S. refineries that are specifically configured and globally competitive to turn it into refined products for domestic use and export.
- **Natural gas**, sourced from Canada to U.S. consumers.
- **Refined products**, sourced from a variety of suppliers outside the U.S. to meet U.S. consumer demand.
- **High-grade specialty steel**, used in pipelines and for the construction of large new industrial facilities – including API 5L line pipe, oil country tubular goods (OCTG), and structural pipe and tubing.
- **Barite**, a key mineral used in drilling operations.

Key Issues:

- **Product Exclusions for Oil & Natural Gas for Section 232 Steel and Aluminum Tariffs**

API Ask: Extend all existing and expedite any future petitions for Section 232 tariff exclusions for products essential to the oil and natural gas industry that cannot be sourced domestically to the procurement specifications required.

Context: Exclusion requests previously granted on products such as pipe and tube, hot rolled, varnished, semi-finished, stainless, pickled, and galvanized steel and wire should be kept in place and extended. Domestic procurement of these products is not possible and the exclusion requests enable the oil and gas industry to continue sourcing valuable input materials in the quantities and specifications needed to remain competitive. This should include exclusions to be granted for any products for which the requesting party has already entered into a written contract for production and shipment.

International Trade Commission (ITC)

Key Issues:

- **New Section 232 or Section 338 Investigations for products other than steel or aluminum**

API Ask: Prioritize U.S. energy security and affordability and exempt products that are not possible to be sourced domestically to the procurements specifications required. This should include exemptions to be granted for any products for which a U.S. importer has entered into a written contract for production and shipment.

Context: New investigations should consider limits to the domestic commercial availability of products needed in the extraction of oil and natural gas, its transportation, its processing and refining, and its liquefaction in the case of natural gas.

- **Section 301**

API Ask: Investigations of products potentially subject to Section 301 tariffs should exclude from such tariffs goods that are unavailable from domestic sources in sufficient quantities or to the necessary procurement specifications. This should include exemptions to be granted for any products for which a U.S. importer has already entered into a written contract for production and shipment.

Context: Existing Section 301 tariffs on critical products such as specific types of pumps, pump parts, motors, rotors and stators, valves, fluids, drill collars, lithium batteries, and various raw, semi-finished and finished steel products counter to the administration's goal of energy security and affordability for U.S consumers. The industry uses these products in the exploration, extraction and manufacturing of oil and natural gas and additional tariffs would likely harm energy production growth while negatively impacting jobs and investments.