

FOR IMMEDIATE RELEASE

June 10, 2021

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39 NM Republicans call on Biden and Haaland to consider significant negative impact energy industry shutdown will have

Santa Fe- In a joint letter, 39 New Mexico Senate and House Republican lawmakers appealed to President Biden and Interior Department Secretary Haaland to consider the negative implications to New Mexico in pausing federal fossil fuel leases. The Republican response aligns with Democratic [Governor Lujan Grisham's request](#) of Biden to oppose a federal lease pause on the industry. 24 Democrats recently sent a [letter](#) that contradicted Lujan Grisham's position and supported a shutdown of the New Mexico energy industry.

"When we talk about energy production in New Mexico, it is imperative that we use facts, not rhetoric. The facts are, New Mexico's state budget relies heavily on revenues from oil and gas, and a federal halting of leases will have a devastating impact on our economy and cost us thousands of jobs," said Senator Gay Kernan (District 42-Chaves, Eddy, and Lea). "Despite the claims of those who wish to permanently shutter the industry, there is no plan in place to replace this revenue or these local, well-paying jobs. We should think long and hard before jeopardizing New Mexico's future for the sake of hollow policies that will not have any meaningful impact on the earth's climate."

The letter, signed by both Republican legislative caucuses, addresses several key issues missing from the argument that progressive politicians are using to support a federal ban on oil and gas leases. Nearly 40%, or \$3 billion dollars, of New Mexico's annual operating budget is generated by the local oil and gas industry. The majority of the \$3 billion in energy revenue funds New Mexico's K-12 education system- an important factor in a state currently under a court order ([Yazzie v. Martinez](#)) to address disparities in educational opportunities for at-risk and minority students. Additionally, the letter points out issues that will arise with unemployment and the state budget if the oil and gas industry is shut down without proper consideration of diversifying the state's economy. Much is left to the imagination in terms of what industry can provide stable jobs and revenues if the state's oil and gas industry is forced to close down. New Mexico currently ranks in the top three nationally for unemployment and the state's economy still heavily relies on oil and gas revenues.

"We cannot let the cart get out before the horse on this, shutting down an industry that funds our schools and brings in nearly half our revenue is dangerous and just plain bad policy," said State Representative Larry Scott (District 62- Lea County). "The movement to shut down oil and gas will disproportionately affect many low-income communities that make up the majority of New Mexico. It is time for policy makers to start telling the truth about the real impacts of this utopian 'green energy economy' and explain to New Mexicans where jobs will be lost, how their standard of living will decline, and why their utility bills will skyrocket."

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New Mexico State Legislature

STATE CAPITOL
Santa Fe

June 10, 2021

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

It has come to our attention that 24 state legislators from New Mexico recently sent you a letter expressing their “strong support” for your decision to institute a pause and review of federal fossil fuel programs in relation to your Administration’s climate change goals. We are writing to express a different and contrary perspective as we believe any extension of the current pause and review policy will have a devastating impact on New Mexico, especially on the students, families, and teachers who are part of our state’s public education system. Therefore, just as our Democratic Governor requested in March 2021, we respectfully ask that New Mexico’s fossil fuel production and any associated federal permitting and leasing activities be exempt from all future regulatory moratoriums.

The letter from our legislative colleagues failed to mention that roughly 40 percent (nearly \$3 billion) of our state’s annual operating budget is directly attributable to the revenues generated by our fossil fuel industries. In turn, a major recipient of these oil and natural gas revenues is our state’s public education system. Any significant revenue reduction caused by imposing fossil fuel production limitations would result in catastrophic cuts to our K-12 schools. We are puzzled by our colleagues’ desire to diminish this important revenue source for our schools at a time when the State Legislature is grappling with a District Court order to increase funding to public education to address long-time disparities in educational opportunities for at-risk and minority students. It is simply impossible, unless massive tax increases are levied on every New Mexican taxpayer, to eliminate oil and gas revenues and still finance our public schools.

Our colleagues also stated in their letter that moving to a greater reliance on “clean energy” will somehow generate new opportunities for good paying jobs for the thousands of oil and natural gas employees who will ultimately be displaced. Such a statement is not supported by any data currently available. In fact, according to a recent Federal Reserve report, most of these fossil fuel industry jobs will move to Texas where a vast majority of the oil and gas production

occurs on private land, outside the jurisdiction of federal land regulators. Further, according to the New Mexico Department of Workforce Solutions (the state's employment services agency), there are some 8,500 jobs potentially available in the wind/solar industries as a result of the "transition" away from fossil fuels. This number of new jobs pales in comparison to the 134,000 jobs that will be lost in the New Mexico petroleum industry during such a "transition."

Although the letter makes reference to the need for New Mexico to be committed to a deliberate and planned transition from our overdependence on fossil fuels to fund our state's budget priorities, it should be noted there is no coherent plan in place to generate substitute revenues for those currently being created by New Mexico's oil and natural gas production. Various commissions and advisory bodies have been discussed and created, but transitioning to this utopian "green energy economy" will take decades and there is simply no way to guarantee these desired new energy jobs will ever become reality. Every New Mexico governor for the past 20 years has spoken about diversifying our state's economy away from oil and gas. However, because we are a state with insufficient capital for business development, a consistently poorly rated public school system, and an ever increasing violent crime rate, none of these governors have been able to match progress with their rhetoric.

The most troubling aspect of the letter from our legislative colleagues is the lack of any intellectual consistency or veracity. For example, the signatories claim they want to deemphasize oil and natural gas production, yet they praise potential efforts to increase revenues from higher federal royalty payments and rent systems. It simply makes no sense to argue that higher revenues are possible from an industry that they wish to put out of business. Another example is their failure to mention that it is mathematically impossible for any climate change policy limited to New Mexico to have any meaningful impact on climate change or on the atmosphere of the planet. This reality was recently echoed by former Senator John Kerry when he stated that the United States acting alone will not be enough to address climate change "when almost 90 percent of all of the planet's global emissions come from outside of U.S. borders." Senator Kerry added, "We could go to zero tomorrow and the problem isn't solved."

And finally, it is also important to note the inconsistency inherent in the letter when the legislators express concern about the problem of orphaned wells in New Mexico. While there is bipartisan agreement that the problem needs to be addressed, it is worth noting that these policymakers have made no legislative effort to require bonding on New Mexico's wind farms on private land where most are situated. The fact is, the decommissioning of a wind turbine is about \$250,000 – far more than plugging an abandoned well.

New Mexico is a glorious place to live and we are proud of our diverse cultures, our stunning landscapes and sunsets, and our friendly, hard-working people. We cannot devastate our economy and our livelihoods by supporting a federal regulatory scheme that fails to recognize the importance of our state's oil and gas industry, and the jobs and the revenues it generates to

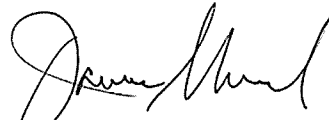
provide needed services for our citizens. We are also respectful of our Native American, Hispanic, and other minority populations. It is important to understand that the coal industry for years provided thousands of good jobs for Native populations in the northwest part of our state and that Hispanic families have moved to southeastern New Mexico to take advantage of the high-paying jobs in the oil patch.

It is time for us as policymakers, who represent families and business people across our great state, to stand up and provide a reality-based response to the political posturing and grandstanding that was represented by this troubling letter sent by 24 of our legislative colleagues. It is also time for both state and federal governments to work together in adopting an all-energy policy where traditional fossil fuels and alternative energy can be included in a comprehensive effort to secure our nation's energy future. We look forward to working with your Administration to make such an effort a reality.

Respectfully yours,



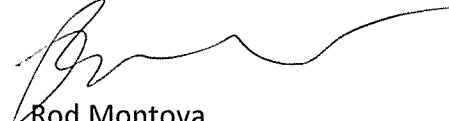
Gregory A. Baca
Senate Republican Leader



James G. Townsend
House Republican Leader



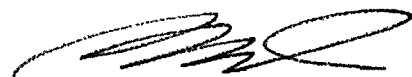
Craig W. Brandt
Senate Republican Whip



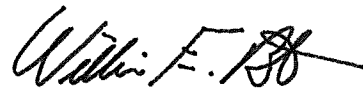
Rod Montoya
House Republican Whip



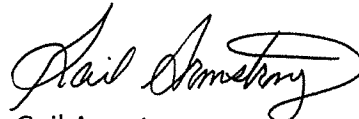
Mark Moores
Senate Republican Caucus Chair



Rebecca Dow
House Republican Caucus Chair



William F. Burt
State Senator District 33



Gail Armstrong
State Representative District 49



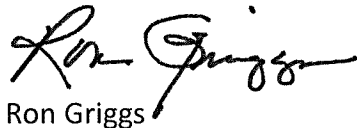
Crystal R. Diamond
State Senator District 35



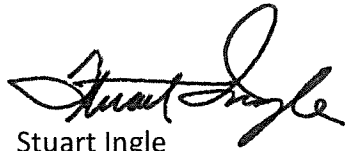
Alonzo Baldonado
State Representative District 8



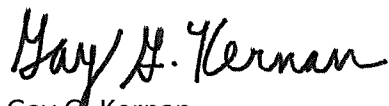
David M. Gallegos
State Senator District 41



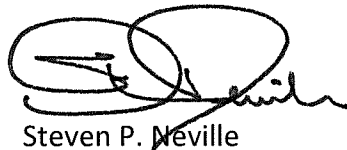
Ron Griggs
State Senator District 34



Stuart Ingle
State Senator District 27



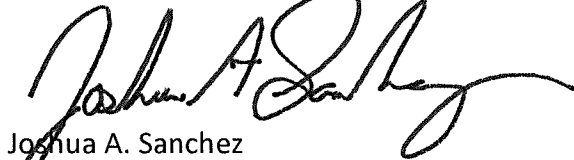
Gay G. Kernan
State Senator District 42



Steven P. Neville
State Senator District 2



Cliff R. Pirtle
State Senator District 32



Joshua A. Sanchez
State Senator District 30



Gregg Schmedes
State Senator District 19



Rachel A. Black
State Representative District 51



Cathrynn N. Brown
State Representative District 55



Jack Chatfield
State Representative District 67



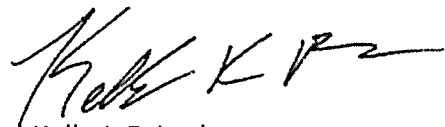
Zachary J. Cook
State Representative District 56



Randal S. Crowder
State Representative District 64



Candy Spence Ezzell
State Representative District 58



Kelly J. Fajardo
State Representative District 7



Jason C. Harper
State Representative District 57



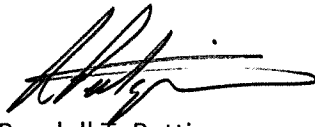
William E. Sharer
State Senator District 1



Pat Woods
State Senator District 7



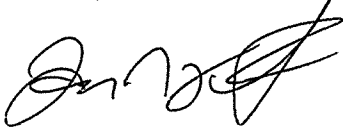
Stefani Lord
State Representative District 22



Randall T. Pettigrew
State Representative District 61



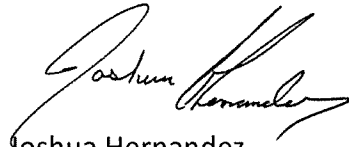
William R. Rehm
State Representative District 31



James R.J. Strickler
State Representative District 2



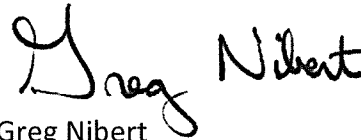
Martin Zamora
State Representative District 63



Joshua Hernandez
State Representative District 60



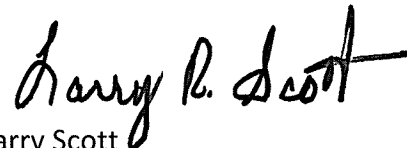
Ryan T. Lane
State Representative District 3




Greg Nibert
State Representative District 59



Jane E. Powdrell-Culbert
State Representative District 44



Larry Scott
State Representative District 62



Luis M. Terrazas
State Representative District 39

cc: Secretary Deb Haaland, U.S. Department of the Interior
NM Congressional Delegation