



January 4, 2021

Submitted via www.regulations.gov

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219.

Re: Fair Access to Financial Services, Docket ID OCC-2020-0042

Dear Sir/Madam:

For the last several years, there has been increased activism in the marketplace to elevate non-pecuniary factors over traditional evaluation of investment risk and returns. Western Energy Alliance shares the Office of the Comptroller of the Currency's (OCC) concern that certain financial institutions are making investment decisions to advance policy and political objectives rather than to maximize returns and capitalize legitimate commerce. We appreciate OCC's intent with this proposed rule to ensure that banks are investing in all sectors of the economy, not just politically favored ones, and that activists cannot distort capital markets to advance policies that cannot otherwise be enacted through the proper political processes.

Western Energy Alliance represents 200 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas across the West. The Alliance represents independents, the majority of which are small businesses with an average of fourteen employees.

The US Oil & Gas Association is the only national association with Divisions in the states along the vital Gulf of Mexico. Because of the Gulf region's importance to our current and future domestic energy supplies, national policy debates often center on the Gulf of Mexico, making our coordination of national and regional activities an important industry asset. The most distinguishing characteristic of the US Oil & Gas Association is the strong support it receives from a membership covering the full spectrum of the domestic petroleum industry.

Our associations are providing comments as representatives of the petroleum industry whose members are affected directly and materially when banks make investment decisions based on factors that largely result from misdirected and misinformed advocacy. Our members constantly innovate to improve the efficiency of their operations and to lessen their environmental impact. The industry continues to meet every legitimate environmental challenge. With continual improvements in horizontal drilling combined with hydraulic fracturing, we produce more energy from each well

while reducing impact on the land by nearly 70%, and decreasing air emissions and fresh water use per unit of production.¹ Every energy source has an environmental impact, whether oil, natural gas, coal, wind, solar, nuclear, biofuels or hydroelectric. Whereas some sources such as wind and solar energy are not held to account for their full mining and huge land impacts, oil and natural gas is heavily regulated at the federal and state levels. In addition, companies routinely go above and beyond what is required by regulation to implement best practices, innovate, and further reduce impacts.

Likewise, the industry has long been a leader in advancing societal goals. Oil and natural gas companies and philanthropists have supported the arts, hospitals, schools, civic associations, conservation, homeless shelters, and many other charities since the days of Rockefeller and Getty. Companies regularly give significantly to the communities in which they operate. Employees are integrated into these communities and volunteer their time meeting a diversity of needs. The oil and natural gas industry is the largest source of funding for conservation as the sole contributor to the Land and Water Conservation Fund, which has provided \$18.9 billion since 1965. We're proud of the commitment companies and employees make to communities and society.

Environmental activists have been pressuring companies, investors, banks, and other financial institutes to make financial decisions that reflect political objectives they have been unable to achieve through the normal democratic process. For example, our members have been a primary target for climate change campaigners who wish to hold the oil and natural gas industry accountable for the emissions that result from the consumption of our products. Never mind that there is not an alternative source of energy that does everything oil and natural gas do in a reliable and affordable manner. Never mind that our industry has done more to reduce greenhouse gas emissions than any other, including the wind and solar industries, by increasing the use of natural gas electricity generation. The fact that our products are used in just about every facet of modern life speaks to their intrinsic value, and hence, their investment worthiness. Any reasonable energy projection shows oil and natural gas remaining a primary energy source until 2050 and beyond.²

Activist groups have been able to convince neither the American people nor the majority of their representatives in Congress to stop using our products before a viable alternative is found, as it would mean fundamentally altering the healthy, safe and prosperous lifestyles that Americans enjoy. Knowing that they cannot get Congress to pass laws that prevent people from using our products or that prevent us from producing them, activists have shifted to pressuring large banks and other financial entities to divest from fossil fuels.

By focusing on oil and natural gas impacts and ignoring the environmental impacts of their preferred renewable energy alternatives, activists are misinforming the public, policymakers, and financial institutions. Their pressure on financial institutions to starve the industry of capital is not only contrary to basic principles of capitalism and fairness in lending, but would be severely detrimental to all Americans that benefit from the affordable, reliable energy that derives from oil and natural gas as well as the 10.3 million jobs and \$1.3 trillion in annual economic impact.³ Because of all the

¹ ["Oil and gas impacts on Wyoming's sage-grouse"](#), *Human-Wildlife Interactions*, David H. Applegate, Nicholas Owens, October 2014.

² [Annual Energy Outlook 2020](#), EIA, January 29, 2020.

³ [Impacts of the Natural Gas and Oil Industry On the U.S. Economy in 2015](#), prepared for the American Petroleum Institute by pwc, July 2017.

life-sustaining products and services that derive from oil and natural gas, Americans would not tolerate the ultimate conclusion of defunding the industry, i.e., the inability to use oil and natural gas. The result would be to send those jobs and hundreds of billions of dollars annually overseas to import energy, largely from unfriendly countries that do not produce it under the strict environmental controls that American companies do. That is hardly a conclusion that is good for the country from an economic, social justice, or environmental perspective.

Thank you for moving forward with this important rule.

Sincerely,



Kathleen M. Sgamma
President
Western Energy Alliance



Timothy Stewart
President
U.S. Oil & Gas Association