PERMIAN BASIN PETROLEUM ASSOCIATION

NEW MEXICO OIL AND GAS ASSOCIATION

August 10, 2026

The Honorable Brooke Rollins
Secretary, Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250

Submitted Electronically via Regulations.Gov

RE: Department of Agriculture
7 CFR Parts 2, 780, 781, and 5100
[Docket No. USDA-2026-0001]
RIN 0560-AI70

Madame Secretary,

Thank you for the opportunity to provide comments on the proposal to update the Department of Agricultures (the Department) regulations regarding the Agricultural Foreign Investment Disclosure Act of 1978 (the AFIDA).

The Permian Basin Petroleum association represents the oil and gas operators that call the Permian basin of West Texas and Southeast New Mexico home. As you know this industry is committed to expanding American energy dominance and ensure that America and our allies benefit from domestic production in the largest oil and gas basin in the free world.

The Permian Basin is America's Oilfield and our members are committed to safely and responsibly develop these natural resources and recognize the importance of modernizing regulations to ensure we all best understand the role of foreign investment in vital industries.

Our members do raise concerns that unlike other agricultural operators, the oil and gas industry does not operate in a singular fashion, nor do they manage static assets like large land tracts. The industry in the Permian Basin is dynamic and its networks are only growing more complex through oil, gas, and water operations, gathering and processing those commodities, and moving them across our great nation.

Recent accounting of this production and its importance to America further demonstrate this.

In the more than 80,000 square miles of the Permian Basin over the Land of Enchantment through the Lone Star State, record production is occurring that accounts for 60% of all oil production in the United States AND its share is only growing.

And this production growth surging in efforts to support American Energy Dominance require a regulatory framework that is as unique as this dynamic industry.

The goal of the Department to ensure that those who purchase farmland report clearly their ownership structure is well understood and a effort we support. However, the rule as proposed will hamper investment in oil and gas and could negatively impact the effort to unleash American energy.

The inclusion of specific oil and gas assets in this rule should be rethought, especially given that we believe the rule unintentionally could cause a domestic entity to become "foreign person."

Specifically, the rule as proposed would define a "foreign person" to include any entity that is:

(i) organized under the laws of a U.S. state, and
(ii) one in which a "significant interest or substantial control" is directly or indirectly held by a foreign individual, foreign entity, foreign government, or any numerical combination of those — expressly stating the combination "need not have a common objective."

In fact, our concern is that unrelated foreign interests in aggregate, with no common objective, would be summarily assumed to be acting in concert. This would then trigger an obligation that remain challenging for any public company, but especially those who have grown in order to gain efficiency in production or merged as a means to scale and address new and growing regulatory challenges and costs.

Further, public companies that have clear and legal investments that are already reported will be treated differently if funded including but not limited to sovereign wealth funds, foreign pension funds, foreign index-fund investors, and foreign retail investors through global brokers.

That very low bar then would trigger those "foreign person" requirements under the AFIDA and if it holds "any interest" in agricultural land like a right of way for transport or any sort of surface agreement, would then be required to file a new AFIDA report which would be unique and separate from its other securities filings

Our members are committed to working with the Department to ensure that this goal of better understanding foreign investment is transparent. However, as an industry that is all too familiar with expansive government overreach, we would like to better work to ensure this goal is accomplished without unintended consequences that create new, opaque, and challenging compliance requirements that we have worked so hard to unwind from the previous administration.

Thank you for your efforts to protect America's natural resources and we look forward to continuing to work with the Department to ensure that the Permian Basin remains the greatest place to drill, create jobs, live, work, and raise a family for generations to come.

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