

DEPUTY WHIP

Armed Services

Banking, Housing and Urban Affairs Commerce, Science, and Transportation **Environment and Public Works**

Small Business and Entrepreneurship

United States Senate

WASHINGTON, DC 20510

September 30, 2010

WASHINGTON, D.C.

HART SENATE OFFICE BUILDING SUITE SH-516 WASHINGTON, DC 20510 (202) 224-4623 FAX: (202) 228-5061

BATON ROUGE

858 CONVENTION STREET BATON ROUGE, LA 70802 (225) 383-0331 FAX: (225) 383-0952

Website with E-Mail Access:

The Honorable Ken Salazar Secretary of the Interior 1849 C Street, NW Washington, DC 20240

The Honorable Michael Bromwich Director, Bureau of Ocean Energy Management, Regulation and Enforcement 1849 C Street, NW Washington, DC 20240

IMMEDIATE ATTENTION REQUESTED

Dear Mr. Secretary and Director Bromwich:

I would like to thank both of you for taking the time to meet with me on Tuesday of this week. In light of our discussion, the ongoing moratorium, and your announcement today of the new rules for offshore drilling, I would like to follow-up on a number of important questions relating to getting industry back up and running and Louisiana families working again.

Despite spending more than six months on reviews, commissions and studies, there does not appear to be a path forward to getting rigs working again. In light of my need to better understand the direction Interior is headed, I would appreciate your thorough response to the following questions:

- 1. Are the following numbers accurate? As of now nine rigs have executed contracts for work outside of the Gulf of Mexico (four jackups and five floaters). The current pace of new shallow water permits to drill has fallen from an average of one every three days to less than one every 30 days.
- 2. What is your anticipated pace of permitting drilling in both shallow and deep water following the announcement of these new rules? How soon do you expect to issue the first permit for deepwater drilling, and how soon should the backlog on shallow water drilling be cleared?
- 3. If companies are not able to navigate the new BOEMRE rules over the next couple of months do executives of these companies have a fiduciary duty to shareholders to seek resources opportunities overseas, or are they able to sit on multi-million dollar assets for months while they wait for permits?
- 4. Why has NTL-06 been such a slow process for shallow-water drillers to navigate? Please explain the status of your decision on categorical exclusions under NEPA. Please discuss the process should you decide to terminate the use of categorical exclusions and the

timeline permits would be on should they have to do a separate environmental analysis for each permit.

5. Please provide the revenue MMS/BOEMRE has collected from offshore drilling (including bonus bids, rents, and royalties) for each of the last five years and to-date 2010. It is my understanding that Interior has collected approximately 1/10th the revenue this year than in prior years from lease sales. Does this exacerbate the federal deficit?

Your prompt responses to these questions by next Friday would be much appreciated.

Sincerely.

David Vitter U.S. Senator