Congress of the United States
Washington, DC 20515

June 24, 2016

The Honorable Sally Jewell
Secretary
Department of the Interior
1849 C Street, N.W.
Washington, DC 20240

Dear Secretary Jewell:

We write to register our profound disappointment in the omission of Atlantic Lease Sale 260 from the Proposed 2017-2022 OCS Five Year Leasing Program and our exasperation at the faulty justifications offered in the Administration's defense. For the sake of America's national security and economic prosperity, this flawed decision must not be further exacerbated in the Final Program and we therefore urge that all proposed Gulf of Mexico and Arctic lease sales and sale areas be maintained without further reduction or restriction.

The Administration's decision to no longer consider Atlantic oil and natural gas leasing amounts to leaving the conversation before it truly begins. The proposed sale was not scheduled until 2021, allowing for five more years of dialogue and investigation – including further environmental analysis and public dialogue required under the National Environment Protection Act and the Outer Continental Shelf Lands Act (OCSLA) – before making a final decision on whether to move forward with the sale. We are also still awaiting Administration action on pending Atlantic seismic surveying permits that, if ever issued, will allow for the collection of modern seismic data to better inform future leasing decisions. Instead of continuing this public discussion to better understand the Atlantic's true resource potential and bolster America's energy security, the Administration chose to turn on its heels and walk away.

This irresponsible decision contradicts your own statements on Atlantic leasing just last year when you called the Proposed Program and Atlantic leasing a "balanced proposal." It also undermines BOEM's Five Year Program development process as mandated under OCSLA; a process which is transparent, inclusive, and robust with respect to environmental considerations and the views of state and local stakeholders. As detailed below, the results to date of this process clearly pointed toward further consideration of a potential Atlantic lease sale in 2021. This evidence plainly refutes the spurious justifications offered in defense of the Administration's decision.

First, when developing a Five Year Program OCSLA clearly requires that deference be given to a state's official position as expressed by their Governor. A bipartisan collection of all four Governors from the proposed leasing region of Virginia, North Carolina, South Carolina and Georgia supported inclusion of Lease Sale 260. Their views were distinctly ignored. The Administration attempted to explain this by citing the Governors' desire for extending state and local revenue sharing to Atlantic states in the future, and the current lack of such a revenue sharing agreement. Each and every signatory to this letter supports revenue sharing for our states, but that is a distinctly separate discussion from the Five Year Program. All four Governors clearly wished for the lease sale consideration to move forward simultaneous to legislative efforts on revenue sharing. OCSLA provides for separate review of individual lease sales and this would have been a more appropriate time to consider Governors' views on revenue sharing rather than a half-decade prior during development of what is essentially a planning document.

Relatedly, the Atlantic lease sale enjoyed bipartisan support among all eight U.S. Senators and a majority of all four Congressional delegations from the proposed leasing region; as well as a majority of citizens in all four states, according to recent polling. Coastal opposition - as measured by communities passing local government resolutions - amounted to less than four percent of the total population of these four states. Furthermore, a majority of the more than one million public comments received on the Draft Proposed Program supported Atlantic leasing. The will of the affected Atlantic states and the American public, no matter the metric used for measurement, was clearly ignored and the spirit of the process was violated.

Second, the Administration's use of the Department of Defense's (DOD) Atlantic military training exercises in defending this decision is no more than a hypocritical red herring. DOD recently reported to your department on the compatibility of their military training regime with potential Atlantic oil and gas operations, and concluded that only 5% of the proposed sale area was in direct conflict. When DOD similarly declared "wind exclusion zones" in the Atlantic, your department reasonably moved forward with consultation to find agreeable solutions toward renewable energy leasing. Yet under nearly identical circumstances with regard to oil and gas, the Administration took an utterly unreasonable path. The DOD red herring argument is doubly hypocritical when viewed against the 2010 DOD Atlantic compatibility report - essentially identical to the 2016 version – issued before the Administration moved forward on Atlantic lease sale 220 then scheduled for offshore Virginia. And yet further hypocrisy can be found in use of the 1983 Memorandum of Agreement between your department and DOD which clearly outlines detailed conflict resolution criteria and has been successfully utilized in the Gulf of Mexico for over thirty years. Whether examined against historical Gulf of Mexico cases, past Atlantic leasing plans or the realities of the current DOD report, the claim that military training and oil and gas activity are incompatible just doesn't hold water.

Third, the Administration cited "current market dynamics" in your justification for eliminating the Atlantic lease sale. However, current market dynamics are nearly irrelevant when considering a lease sale five years away and subsequent drilling and production activities another five to ten years after that. The deepwater offshore market contemplated in Sale 260 is impacted far less by near term price fluctuations, as these projects involve time horizons measured in decades and investments measured in billions of dollars. Furthermore, the separate planning and analysis for individual lease sales under OCSLA is a far more appropriate time and place to examine current market dynamics. The Five Year Program is a blueprint for offshore energy security, not a crystal ball used to predict future market conditions.

Fourth, the Administration's argument on the Atlantic's "limited support infrastructure" with respect to oil and gas activity ignores the robust infrastructure of east coast ports and related industries, and discounts their existing overlap with the oil and gas industry. A December 2015 report prepared for the Southern Environmental Law Center revealed that roughly half of the industries comprising the South Atlantic states' ocean economy are already part of the offshore energy industry. These industries include marine construction, boat and ship building, deep-sea freight transportation, marine passenger transportation, marine transportation services, search and navigation equipment, and warehousing. The fact is ample port and related infrastructure currently exists along the Atlantic seaboard and many of the industries represented therein have a presence in the Gulf of Mexico energy space. These Atlantic industries' particular applicability to oil and gas can be tailored and improved as future Atlantic oil and gas activity becomes more certain.

While America continues to turn our backs on even considering Atlantic oil and gas activity, other nations are moving forward with aggressive programs to lease, explore and produce their Atlantic offshore areas. This includes neighbors Canada, Mexico, Cuba and the Bahamas, as well as nations in South America, Africa and Europe. The related capital, technology and human resources will be deployed to these countries rather than the U.S. because we failed to seize this opportunity.

To place these missed opportunities into context, the Proposed Program continues to close more than 85% of America's OCS to oil and gas activity. According to a 2014 study by Quest Offshore Resources, opening these areas could, by 2035:

- Create more than 838,000 jobs
- Spur nearly $450 billion in new private sector spending
- Contribute more than $550 billion to the U.S. economy
- Generate more than $200 billion in new revenue for federal and state governments
- Add more than 3.5 million barrels of oil equivalent per day to domestic energy production, or roughly twice the amount produced in the Gulf of Mexico.

We know this activity could be done safely and in coordination with existing ocean activities. As the co-chairs of the national spill commission formed after the Macondo incident said in April 2014, "offshore drilling is safer than it was four years ago" because industry and the government have enhanced spill prevention, containment and response, revised existing standards and regulations and created new ones, and worked hard to foster a strong industry safety culture. Furthermore, for decades in the Gulf of Mexico, energy development, conservation efforts, and other industries -- be it tourism, commercial or recreational fishing, shipping, military training, or others -- have not only coexisted, but thrived alongside each other. There is no reason to believe this will not also be the case in the Atlantic.

The Administration's justification for removing the Atlantic lease sale from the Proposed Program is without merit, runs directly counter to public opinion, the historical record, and economic and market realities. Finally, it undermines America's energy and economic security. This egregious mistake must not be exacerbated in the Final Program, thus we urge that all Gulf of Mexico and Arctic lease sales and acreage be maintained without further reduction or restriction.

Sincerely,

Richard Hudson Member of Congress	Jeff Duncan Member of Congress	Scott Rigell Member of Congress
Rick Allen Member of Congress	Earl "Buddy" Carter Member of Congress	Doug Collins Member of Congress
Renee Ellmers Member of Congress	Virginia Foxx Member of Congress	Tom Graves Member of Congress
H. Morgan Griffith Member of Congress	Jody Hice Member of Congress	George Holding Member of Congress
Patrick McHenry Member of Congress	Mark Meadows Member of Congress	Mick Mulvaney Member of Congress
Robert Pittenger Member of Congress	Tom Price, M.D. Member of Congress	David Rouzer Member of Congress

Austin Scott
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Mark Walker
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Lynn Westmoreland
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Joe Wilson
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Robert Wittman
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