



TOM FRY
PRESIDENT

December 17, 2004

NATIONAL
OCEAN
INDUSTRIES
ASSOCIATION

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

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Dear Mr. President:

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The National Ocean Industries Association is the only national trade association representing all segments of the offshore energy industry. Our 300 member companies are engaged in activities ranging from drilling to producing, engineering to marine and air transport, offshore construction to equipment manufacture and supply, and telecommunications to finance and insurance.

We are writing to express our concerns regarding the next five year Outer Continental Shelf leasing program for 2007-2012. We understand that the Secretary of the Interior is about to begin the process to develop the program, and we are writing to ask that the process begin with an open, broad scoping process, as required by the Outer Continental Shelf Lands Act and the National Environmental Policy Act.

Over the past few years, there has been great concern expressed about energy supply in this country, both the United States Congress through various pieces of legislation and by your Administration through the Report of the National Energy Policy Development Group and statements by Chairman Greenspan and yourself. The Department of the Interior now has the opportunity to begin an open, public process, guided by statute, that could provide access to increased supplies of natural gas and oil for the United States. I urge you to direct the Secretary to begin the process by keeping all options on the table, and seeking the broadest possible range of information and input.

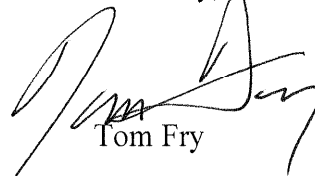
We understand that the Secretary will be preparing an environmental impact statement (EIS) pursuant to the National Environmental Policy Act (NEPA), and will begin the EIS with a scoping notice. Section 1501.7 of the NEPA regulations requires that scoping be "an early and open process to determine the scope of issues to be addressed and for identifying the significant issues related to the proposed action." We are eager to participate in this process.

We have also been told that the program will be produced pursuant to the Outer Continental Shelf Lands Act. Section 18 of that Act enumerates the specific factors that must be analyzed and considered in deciding the timing and location of lease sales in the leasing program. Those factors include an equitable sharing of developmental benefits and environmental risks among the various regions, the relative environmental sensitivity and marine productivity of different areas of the Outer Continental Shelf, and the relative environmental and predictive information for different areas of the Outer Continental Shelf. We do not believe it is possible to comply with this section of the statute if the agency does not solicit and gather information during scoping about all the Outer Continental Shelf regions.

We understand that approximately 80% of the Outer Continental Shelf is currently under leasing moratoria. However, when that moratoria was instituted by President George H.W. Bush in 1990, his Executive Order was to be in place for ten years until necessary scientific studies could be completed. However, President Clinton then issued an Executive Order in 1998, extending the moratoria until 2012, with no guidance to review or adapt the information learned in the studies. We believe it is appropriate, and legally mandated, to use the scoping period for the next five year leasing program to gather information and data about all of the Outer Continental Shelf areas, and we urge you to follow this course of action.

Thank you for your consideration of our concerns on this matter. If you have any questions or we can provide any additional information, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Fry", written over a printed name.

Tom Fry

cc: Secretary Gale Norton