

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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June 11, 2013

The Honorable Doc Hastings
Chairman
Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

The Honorable Edward Markey
Ranking Member
Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Hastings and Ranking Member Markey:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, supports H.R. 1964, the "National Petroleum Reserve Alaska Access Act" and H.R. 2231, the "Offshore Energy and Jobs Act."

America's unconventional oil and natural gas boom has profoundly improved America's energy security, while also creating millions of jobs and generating hundreds of billions of dollars in economic activity. Since 2008, domestic oil production has increased by nearly 50%, and domestic natural gas production has increased by 25%, almost exclusively due to shale production. Last week the Energy Information Administration announced another production milestone had been reached with domestic crude oil production outstripping imports for the first time since 1996.

While these statistics all demonstrate the U.S. is truly an energy superpower, there is much more Congress can do to mitigate energy security risks. Although the U.S. now produces slightly more than half of crude oil consumed, America still imports the other half. Shale production, predominantly on private and state lands, is expected to continue to increase domestic oil and natural gas production for years to come, but the barriers that prevent production on federal lands from increasing as well must be removed. H.R. 1964 and H.R. 2231 would make important changes that would increase production on federal lands, which would further reduce imports while also creating jobs and economic activity at home.

The *National Petroleum Reserve Alaska Access Act* would make critical changes to ensure the country is able to benefit from the National Petroleum Reserve-Alaska (NPR-A) as current law intends. NPR-A was created in 1923 to ensure the country could have access to the oil and natural gas it contains. However, in practice most of NPR-A has remained unavailable for lease, and even when exploration and production does occur, the federal government has made it virtually impossible to build the necessary infrastructure to transport product to market.

H.R. 1964 would, first and foremost, nullify the plan finalized by the Department of Interior (DOI) in February, 2013, which prevents oil and natural gas development on a majority of the petroleum reserve and require the issuance of a new integrated activity plan that ensures NPR-A is utilized as intended. Additionally, this bill would require DOI to hold annual lease sales and streamline the permitting for leasing, development, and infrastructure construction.

The U.S. Outer Continental Shelf (OCS) represents one of America's single largest energy resources. However, a combination of actions by Congress and multiple administrations of both parties have kept these resources in the ground in favor of imported energy. Under DOI's current 2012-2017 OCS Oil and Gas Leasing Program, more than 86% of America's OCS is off limits.

The *Offshore Energy and Jobs Act* would expand access to areas that have been off limits for decades, including its explicit inclusion of Lease Sale 220 adjacent to Virginia, and establish oil and natural gas production targets for DOI to follow when formulating leasing programs. This bill would also require DOI to issue a new Leasing Program consistent with this direction. Additionally, the *Offshore Energy and Jobs Act* would provide a share of the revenue the Federal government generates from offshore development with the adjacent coastal states. While interior states that host energy development on federal lands share 50% of the royalties collected, coastal states receive virtually nothing despite supporting the production of a large share of America's energy.

The U.S. is blessed with a bounty of energy resources, but current policies presume the opposite and act as barriers to securing America's energy future as well as the tremendous economic benefits energy production brings. The Chamber supports H.R. 1964 and H.R. 2231 and appreciates your consideration as you mark up the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten", written in a cursive style.

R. Bruce Josten

cc: Members of the House Committee on Natural Resources