



US Oil & Gas Association



November 17, 2010

Chairman James P. Moran  
Subcommittee on Interior, Environment,  
and Related Agencies  
U.S. House of Representatives  
B-308 Rayburn House Office Building  
Washington, DC, 20515

Chairman Dianne Feinstein  
Subcommittee on Interior, Environment  
and Related Agencies  
U.S. Senate  
131 Dirksen Senate Office Building  
Washington, DC, 20510

Ranking Member Michael K. Simpson  
Subcommittee on Interior, Environment,  
and Related Agencies  
U.S. House of Representatives  
1016 Longworth House Office Building  
Washington, DC, 20515

Ranking Member Lamar Alexander  
Subcommittee on Interior, Environment  
and Related Agencies  
U.S. Senate  
125 Hart Senate Office Building  
Washington, DC, 20510

Dear Chairmen and Ranking Members:

As you consider funding levels for the remainder of Fiscal Year 2011, we write in support of additional resources for the Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEMRE). This money should be used not only for additional inspectors, but also for increased staff resources and training to allow more efficient review and approval of oil and natural gas permit applications and processing of environmental reviews.

Roughly 30 percent of domestic oil production and 13 percent of domestic natural gas production is derived from the Outer Continental Shelf. In order to maintain or grow this important energy supply, new exploration, production and leasing must continue at a consistent pace. As a result of the new safety and environmental standards created for offshore drilling following the unprecedented accident in the Gulf of Mexico, it is imperative that BOEMRE is provided the necessary resources to review and process permits to drill in OCS waters, and to maintain a vibrant leasing program in the OCS. The permitting of both shallow and deep water exploration activities—including seismic testing—is proceeding at a slow pace, leading to less home-grown energy and U.S. jobs.

The oil and natural gas industry contributes billions of dollars each year to the federal Treasury, a portion of which could pay to increase staffing and funding at BOEMRE. As recently as 2008, the MMS collected over \$22 billion in revenue from the oil and gas industry in the form of

royalties, rentals and bonus bids. The industry is well aware that finding additional revenue may be difficult given current budget constraints. However, reallocating federal resources or directing a small percentage of future OCS lease sale revenue for use by BOEMRE may provide two additional options to fund staffing, training, and permit processing.

Thank you for your consideration of our support for increased BOEMRE funding. BOEMRE's role can help lead to greater energy security, revenue generation, and job creation. We look forward to working with you towards responsible development of important domestic offshore resources.

Sincerely,

American Petroleum Institute  
American Exploration & Production Council  
International Association of Drilling Contractors  
Independent Petroleum Association of America  
National Ocean Industries Association  
US Oil & Gas Association