

June 28, 2006

Dear Member of Congress:

Rising energy costs are taking their toll on millions of American households. Price increases for natural gas in particular have created an enormous burden on the over 60 million American homes that depend on natural gas for heating, as well as the 90 percent of new power plants that depend on natural gas.

Increased energy production in the Outer-Continental Shelf would lead to lower energy prices and help strengthen the American economy. These are goals that every member of Congress should be fighting to achieve.

According to the U.S. Department of Interior's Minerals Management Service, the offshore areas currently banned from development likely contain a mean estimate of 18.92 billion barrels of oil and 85.79 trillion cubic feet of natural gas that are "technically recoverable."

Yet the United States is the only developed country in the world that bans development of most of its offshore gas resources.

This self-imposed ban has put our nation at a competitive disadvantage with Cuba and China. Cuba recently announced that it has negotiated lease agreements with China to explore oil and gas production just 50 miles off the coast of Key West, Florida. The United States can't develop resources in the Florida Straits, yet Cuba and China can.

For too long the federal government has tied the hands of state governments that wish to permit oil and natural gas leasing in their adjacent offshore zones. Congress should remove the moratoria on offshore gas production and share the federal royalties with the States that decide to allow offshore production, just as they share the royalties from production on federal lands with the States.

Sincerely,

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Outer Continental Shelf

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