United States Senate
WASHINGTON, DC 20510

March 23, 2010

The Honorable John Kerry
United States Senate
218 Russell Senate Office Building
Washington, DC 20510

The Honorable Lindsay Graham
United States Senate
290 Russell Senate Office Building
Washington, DC 20510

Then Honorable Joseph Lieberman
United States Senate
706 Hart Senate Office Building
Washington, DC 20510

Dear Senators Kerry, Graham and Lieberman:

We applaud your efforts to craft comprehensive energy and climate legislation, but we are writing to share our mutual concerns as Senators from coastal states.

From fisheries to tourism, our coasts provide sustainable jobs for millions of Americans and contribute approximately $11.4 trillion to the nation's economy. Further, the natural environment of our coastlines is a national treasure that needs to be protected for generations to come. While we must increase the domestic production of energy both on and off shore we believe those efforts should concentrate on building a clean energy economy reliant on sustainable, renewable, domestic resources.

It has come to our attention that some interests are aggressively pursuing an effort to open the nation's coasts and oceans for unfettered access to oil and gas drilling. This is of great concern to us.

While technological advances have attempted to lower the environmental and economic risks of drilling, experience has shown that no technology is foolproof. Since 1964, offshore operators have had 40 spills greater than 42,000 gallons. During Hurricanes Katrina and Rita, 741,000 gallons spilled from offshore rigs and more than nine million gallons spilled from onshore infrastructure supporting offshore drilling. Far from being a thing of the past, spills occur with alarming frequency. Just this past fall, an Australian oil rig blew out and spilled millions of gallons of oil for over ten weeks before catching fire, and finally being plugged on November 3. While pipeline leaks and oil spills make the most headlines, we also cannot ignore the risk that drilling activities pose to some of the most sensitive ecosystems and marine life. These risks mean that any drilling near our coasts poses a severe risk to our states' coast lines and in turn to our coastal economies.

States with oil production in neighboring waters are often at as much risk -- or, because of prevailing currents, at even more risk -- than the state hosting drilling operations. Some have proposed mitigating these risks by creating arbitrary buffer areas around the nation's coasts. But oil spills do not respect such boundaries. The Exxon Valdez spill eventually covered 1,300 square miles; no buffer zone would have offered any real protection.

Another concern we share is that any offshore production must be respectful of the needs of the Department of Defense (DoD), especially during a time when our country is fighting two wars. Over the years, the DoD's training ranges have been whittled down by development and encroachment. Testing and training in and over the Gulf of Mexico and the Mid-Atlantic ensure we have well-prepared pilots and captains heading to battle. No amount of production is worth compromising military training or safety.

We have also read reports that your comprehensive bill might embrace the concept of sharing revenue with states. During these difficult fiscal times, funds that belong to the American people should be shared equally and prioritized to reduce the federal deficit and to protect our oceans and coasts that provide this resource. The Senate has rejected the concept of revenue sharing on numerous occasions in recent years. All states should have a say in how offshore revenues are allocated.

We also believe that any increased access to the Outer Continental Shelf must be coupled with a reform of the leasing process. Oil companies have been cheaply leasing acres that are already available for production and holding on to these leases without producing from them. This inflates their stock price by pumping up their reported reserves, but it does nothing to increase domestic production. Currently, oil companies hold over 60 million acres of oil and natural gas leases from which they are not producing oil or gas. We need to create a system that incentivizes oil companies to produce what they already have before we open environmentally sensitive areas to production.

Finally, it is important to note that while increased production could open our coasts to economic and environmental catastrophe, it will not lower the price of gas. The Energy Information Administration has continually stated, "access to the Pacific, Atlantic, and eastern Gulf regions would not have a significant impact on domestic crude oil and natural gas production or prices before 2030." The fact of the matter is that we only have 3% of the world's oil reserves while we use nearly 25% of the world's oil. The only way for us to lower oil prices is to pursue an aggressive policy of energy efficiency and conservation.

As coastal Senators we truly appreciate your efforts to develop comprehensive climate legislation. After all, our states are literally the front lines when it comes to the severe impacts we'll see from sea level rise and stronger storms. But we hope that as you forge legislation, you are mindful that we cannot support legislation that will mitigate one risk only to put our coasts at greater peril from another source.

Sincerely,

Bill Nelson

Robert Menendez

Ben Cardin

Frank R. Lautenberg

Ron Wyden

Jeffrey A. Merkley

Jack Reed