

CAL DOOLEY PRESIDENT AND CEO

June 11, 2013

The Honorable Doc Hastings Chairman U.S. House of Representatives Committee on Natural Resources 1324 Longworth HOB Washington, D.C. 20515

Dear Chairman Hastings,

I am pleased to offer our strong support for your "<u>Offshore Energy and Jobs Act</u>." H.R. 2231 will create access to offshore oil and gas resources that are currently off-limits to use and it will send a signal to energy markets that the U.S. Outer-Continental Shelf (OCS) is "open for business."

Current federal policies directly and indirectly encourage new demand for natural gas in several important end markets, including power generation, transportation and as an export commodity. At the same time, demand for natural gas from energy-intensive industries is growing. For example, chemical companies have announced plans for more than 110 projects in the U.S. over the next several years, valued at \$77 billion. With this increased demand pull on natural gas, government must ensure that policies regarding access to resources on federal lands do not prevent new sources of supply from keeping pace with demand growth.

The Administration's current OCS policy (2012-2017 5-year plan) is a step backward from the previous plan and would make less offshore acreage available for oil and gas development. That policy is part of an unfortunate trend. While total US natural gas production increased by 20 percent since 2007, production on federal lands (onshore and offshore) fell by about 23 percent. The government needs to change course with respect to opening new areas of the OCS to responsible energy development. HR 2231 is the course correction America needs to set federal OCS policy in the right direction.

We urge the Natural Resources Committee to vote the "Offshore Energy and Jobs Act" out of committee and send it to the floor of the House of Representatives.

Sincerely Droky Cal Dooley