Alaska Wilderness League - Center for Biological Diversity - Earthjustice - Friends of the Earth - Hands Across the Sand - League of Conservation Voters - Natural Resources Defense Council - Ocean Conservation Research - Oceana - Sierra Club - Southern Environmental Law Center - The Ocean Foundation

July 5, 2016

Dear Senator:

On behalf of our members and supporters, we are writing to urge you to oppose the American Energy and Conservation Act of 2016, S. 3110, sponsored by Senators Cassidy and Vitter. The Cassidy-Vitter bill expands revenue sharing from new offshore oil and gas drilling on the Outer Continental Shelf. Our organizations strongly oppose all revenue sharing from offshore drilling, as well as new oil and gas leasing anywhere off our coasts.

Our coasts and beaches support a vibrant and healthy tourism industry, as well as important commercial and recreational fisheries and ecologically critical wildlife. New offshore drilling would damage established coastal economies and ecosystems, keep our nation dependent on fossil fuels, and increase carbon pollution.

Currently, only the oil-producing Gulf states (Alabama, Louisiana, Mississippi and Texas) receive revenue sharing based on the Gulf of Mexico Energy Security Act of 2006 (GOMESA). This bill amends GOMESA by significantly raising the amount of revenues that can be shared annually with those four states. It would also establish revenue-sharing schemes for Alaska and four southeast states (Virginia, South Carolina, North Carolina and Georgia). Revenue sharing creates incentives that threaten enormous damage – both economic and non-economic – to coastal communities, business, and ecosystems. Revenue sharing from offshore drilling should not be expanded under any circumstances.

Many of the provisions in the Cassidy-Vitter bill are already obsolete. In March, the Bureau of Ocean Energy Management (BOEM) announced that the Atlantic - and the four states covered by the bill - would NOT be in the 2017-2022 five-year plan. Those four Atlantic states were dropped from the five-year plan after overwhelming opposition from coastal communities and objections from the Department of Defense.[1]

In Alaska, as many of our groups have argued, drilling in the remote and icy Arctic Ocean poses significant threats from oil spills and other impacts, and given the lack of infrastructure, any oil from the region is decades away. By then, we should be transitioning away from fossil fuels to meet the challenge of global climate change. On top of that, Shell and other companies have relinquished many of their existing Arctic Ocean leases and

[1] 2017–2022 OUTER CONTINENTAL SHELF OIL AND GAS LEASING PROPOSED PROGRAM. (2016, March 15). Retrieved May 2, 2016, from http://www.boem.gov/2017-2022-Proposed-Program-Decision

dropped their requests for extension of the others which are due to expire shortly.[2] This lack of industry interest is not new. In 2015, BOEM canceled two proposed lease sales in the Arctic Ocean, citing Shell's decision to abandon drilling there, the large number of inactive existing leases, and the lack of any real demonstrated industry interest, among other factors.[3]

Although we appreciate the goals of the provisions for renewable energy, they do not mitigate the negative aspects of the bill that encourage offshore drilling. We should promote renewable energy on its own, rather than linking it to continued fossil fuel development.

Finally, the Cassidy–Vitter bill will have a negative impact on our nation's budget and efforts to reduce the deficit. The Supreme Court has repeatedly ruled that ownership of coastal waters beyond the three-mile limit resides with all Americans.[4] As the nation deals with sequestration in the future and other fiscal challenges, funneling federal revenues away from the Treasury does not make sense.

Revenue sharing and incentives for new offshore drilling are bad for our nation's finances, coastal economies, beaches, and climate. For all of these reasons, we strongly urge you to oppose the American Energy and Conservation Act of 2016.

Thank you for your consideration.

Sincerely,

Michael Brune
Sierra Club

Cindy Shogan
Alaska Wilderness League

Sara Chieffo
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Franz Matzner
Natural Resources Defense Council

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[2]Shell Drops Legal Attempt to Extend Offshore Lease Terms in the Arctic. (Alaska Dispatch News, June 27, 2016) http://www.adn.com/business-economy/energy/2016/06/24/shell-drops-legal-attempt-to-extend-offshore-lease-terms-in-the-arctic/
[3]Interior Department Cancels Arctic Offshore Lease Sales. (2015). Retrieved June 22, 2016, from https://www.doi.gov/pressreleases/interior-department-cancels-arctic-offshore-lease-sales
[4]United States v. Texas 339, U.S. 707 (1950).

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