



COMMONWEALTH of VIRGINIA

Office of the Governor

Terence R. McAuliffe
Governor

August 11, 2017

Ms. Kelly Hammerle
National Program Manager
U.S. Bureau of Ocean Energy Management
45600 Woodland Road, Mailstop VAM-LD
Sterling, Virginia 20166

Dear Ms. Hammerle:

I am writing in response to the Request for Information (RFI) on the initiation of a new 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Program (National OCS Program) published by the Bureau of Ocean Energy Management (BOEM) in the Federal Register on July 3, 2017. The new National OCS Program will replace the current 2017-2022 Program.

It is my understanding that BOEM is considering for inclusion in the new National OCS Program all unleased areas off the U.S. Outer Continental Shelf, including unleased areas off the coast of Virginia. As I have made clear in comments submitted during the process to develop the 2017-2022 Program, a primary concern that must be satisfied in order for Virginia to be included in the leasing area is a revenue sharing agreement between participating Atlantic coast states and the federal government. Today, we are no closer to resolving this issue than when I became Governor. During my time as Governor, no legislation has been signed by the President authorizing this type of arrangement.

Additionally, President Trump's proposed budget includes the repeal of the Gulf of Mexico Energy Security Act (GOMESA), which provides the statutory structure for revenue sharing with Alabama, Louisiana, Mississippi, and Texas. This is a clear indication that any new revenue sharing arrangement between additional states is as unlikely as ever and is a non-starter with the current administration.

The Commonwealth cannot be beholden to the reckless actions of a federal government that refuses to acknowledge the legitimate and necessary role states play in driving the national economy. This concern is heightened where President Trump's proposed budget also includes cuts to the very agencies that are responsible for ensuring compliance with statutory safeguards and environmental protections. In the absence of willingness by the federal government to work

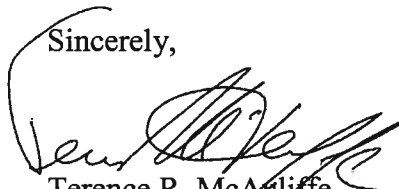
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together and collectively reap the rewards of that collaboration, Virginia is left with only one option.

As such, I am requesting that the Commonwealth of Virginia not be included in the 2019-2024 National OCS Program. Virginia remains committed to diversifying our economy into new sectors and strengthening our energy infrastructure. However, the program as proposed does not adequately protect Virginia's interests and we hope you will heed our request to exclude our coastal areas.

Thank you for your consideration in this matter.

Sincerely,



Terence R. McAuliffe