Congress of the United States
House of Representatives
Washington, D.C. 20515

May 2, 2017

The Honorable Ryan Zinke
Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Dear Secretary Zinke:

We write to express our serious concerns regarding your agency's review of the 5-year offshore leasing program, as instructed by executive order on April 28, 2017.

This executive order is the latest in a series of ill-advised actions by the Trump Administration that favor corporate interests over the safety of the environment and our communities. We believe the review of the leasing program lays the groundwork to eventually weaken key safety regulations that help prevent oil spill disasters, while simultaneously introducing drilling to ocean areas currently off-limits. In doing so, this action greatly increases the threat of a devastating oil spill to these critical and irreplaceable marine ecosystems and puts at risk billions of dollars in states' tourism revenue.

Protecting Critical Marine Environments in the Atlantic and Arctic

Areas currently closed for Atlantic and Arctic drilling serve as habitat to endangered species and major biodiversity hotspots critical to fisheries, tourism, and the communities that depend on them.[1] In the Atlantic, for example, underwater canyons currently protected from drilling cover nearly four million acres spanning offshore from New England to the Chesapeake Bay.[2] In addition to serving as habitat for protected species such as sea turtles and marine mammals, research shows that these canyons offer valuable ecosystem services and economic value.[3] Additionally, drilling off the Atlantic coast could impact military maneuvers and the Navy's ability to defend our coasts. These national security and environmental risks are particularly unwarranted given that the Atlantic canyon region has a limited oil and gas history, and no active leases since the mid-1990s.[4]

In the Arctic, the current 2017-2022 Outer Continental Shelf (OCS) Oil and Gas Leasing Program excluded the Chukchi Sea and Beaufort Sea after an exhaustive process, including a

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[1] *President Obama Bans Oil Drilling in Large Areas of Atlantic and Arctic Oceans*, Washington Post (Dec. 20, 2016).

[2] *Id.*

[3] Department of the Interior, *Fact Sheet: Unique Atlantic Canyons Protected from Oil and Gas Activity* (www.doi.gov/sites/doi.gov/files/uploads/atlantic_canyons_fact_sheet_for_release.pdf).

[4] *Id.*

review of current market conditions, evidence of a lack of industry interest, an increase in onshore oil and gas production, and extensive stakeholder input.[5] Former federal officials undertook this review in compliance with the requirements of the Outer Continental Shelf Lands Act, which requires a multi-step process of consultation and analysis prior to the Secretary of the Interior approving a new Five-Year Program.[6] President Trump's recent executive order preempts the current leasing program, which former officials developed through robust consultation with stakeholders.

By directing a review of areas currently closed from drilling, President Trump's executive order overlooks the irrevocable and widespread harm that oil and gas disasters have had on our nation's rich and productive marine ecosystems. For example, the 2010 BP Deepwater Horizon oil spill did not respect state boundaries, as oil spread to 1,313 miles[7] of seacoast and ultimately affected five Gulf Coast states.[8] The released oil was toxic to a wide range of organisms and had severe adverse effects on economic activity in the fishing, tourism, and recreation industries, which generate billions of dollars in annual and sustainable economic activity.

Millions of Acres Sit Idle Under Existing Leases

Management of natural resources is a public trust, and the U.S. Department of the Interior (Department) should require oil and gas companies to use existing leases and opportunities in areas already open to drilling before even considering opening new areas to development. For example, oil and gas companies hold leases on approximately 16 million acres in the Gulf of Mexico, but have developed only about 26 percent of that acreage.[9] Additionally, the recently finalized 2017-2022 5-year Offshore Oil and Gas Leasing Program already makes available over 70 percent of the economically recoverable resources in the OCS.[10]

Oil production from the Gulf of Mexico in January 2017 was near the record high and is likely to exceed that record in the coming months.[11] A misguided review of the 5-year leasing plan, as directed by this executive order, would create enormous and unnecessary risk at a time when the oil and gas industry allows millions of leased acres to remain idle. In sum, there is no indication that industry needs additional lease-acreage beyond what is currently leased.

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[5] Bureau of Ocean Energy Management, *2017-2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program* (Nov. 2016).

[6] *Id.*

[7] Zachary Nixon et al., *Shoreline oiling from the Deepwater Horizon oil spill*, Marine Pollution Bulletin (June 15, 2016).

[8] *BP Oil Spill Trashed More Shoreline Than Scientists Thought*, National Geographic (Apr. 20, 2016).

[9] Bureau of Ocean Energy Management, *Combined Leasing Report* (Apr. 2017).

[10] *See* note 5.

[11] RBN Energy, *Don't You Forget About Me – Gulf of Mexico Crude Production Hits All Time High* (Apr. 2017) (www.rbnenergy.com/dont-you-forget-about-me-gulf-of-mexico-crude-production-hits-all-time-high).

Review of Existing Well Control Rule Further Threatens Health and Safety of the Environment and People Who Work in the Oil and Gas Industry

The executive order calls for review of key environmental health and safety regulations, including the Bureau of Safety and Environmental Enforcement final rule entitled "Oil and Gas and Sulfur Operations in the Outer Continental Shelf-Blowout Preventer Systems and Well Control."[12] The stated purpose of this rulemaking is to "prevent future well-control incidents, including major incidents like the 2010 *Deepwater Horizon* catastrophe" in which 11 lives were lost and 134 million gallons of oil was released into the Gulf of Mexico.[13] In seeking a review, this executive order threatens to undermine these fundamentally important drilling standards at the expense of the environment and the health and safety of people who work in the drilling industry.

Given the likely adverse impacts of this action on our environment, fishing, and tourism industries, we remain deeply concerned with President Trump's decision to lift the leasing ban in regions currently closed to development. Therefore, we request that officials from the Department brief Committee staff on both the basis for this review, and the steps the Department will take to assess the various concerns related to this proposal. Additionally, we request that you address the following:

1. The executive order directs a review of areas currently closed off from drilling, including the Mid- and South Atlantic, the Chukchi Sea, and the Beaufort Sea. Please provide all risk assessments and analysis undertaken to determine how lifting the ban on drilling in these areas would not adversely affect fragile ecosystems or damage fishing, restaurant, or tourism interests.

2. What additional actions or plans does the Department intend to take to protect coastal communities from the possibility of another catastrophic oil spill, particularly in light of the unique challenges of responding to an oil spill in these environments? For example, has the Department conducted any analysis with or otherwise coordinated with the Coast Guard to ensure that Area Contingency plans are sufficiently robust to address an oil spill the magnitude of the Deepwater Horizon?

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[12] Department of the Interior, *Oil and Gas and Sulfur Operations in the Outer Continental Shelf- Blowout Preventer Systems and Well Control*, 81 Fed. Reg. 25888 (Apr. 29, 2016) (final rule). The executive order also calls for a review of the Bureau of Ocean Energy Management (BOEM) Notice to Lessees No 2016 N01 of September 12, 2016 entitled "Notice to Lessees and Operators of Federal Oil and Gas, and Sulfur Leases, and Holders of Pipeline Right-of-Way and Right-of-Use and Easement Grants in the Outer Continental Shelf; a review of BOEM's proposed rule entitled "Air Quality Control, Reporting and Compliance" (81 Fed. Reg. 19718 (Apr. 5, 2016)); expedited consideration of incidental harassment authorizations, incidental-take, and seismic survey permits; a review of National Oceanic and Atmospheric Administration Technical Memorandum NMFS-OPR-55 of July 2016 (Technical Guidance for Assessing the Effects of Anthropogenic Sound on Marine Mammal Hearing); and a review of the final rule entitled "Oil and Gas and Sulfur Operations on the Outer Continental Shelf" (81 Fed Reg. 46478 (July. 15, 2016)).

[13] *Id.*

3. The March 16, 2017 budget blueprint calls for a $1.5 billion, or 12 percent, reduction to the Department's fiscal year 2018 budget.[14] How would these proposed cuts affect the ability of the Department to draft a new 5-year plan, which presumably would also include oil spill response and mitigation plans, while administering an even greater number of oil and gas leases?

4. American fishing, tourism, and recreation industries rely on a healthy ocean ecosystem to generate billions of dollars each year in economic activity. If this review goes forward, please indicate what additional analysis the Department intends to conduct to determine what safeguards will be required to protect these industries.

5. Given the significant growth of U.S. oil production on both private and public lands over the past seven years, the U.S. is now one of the largest producers of crude oil in the world, and the world leader in total liquid hydrocarbon production. In fact, oversupply in oil production has led the U.S. to begin exporting crude oil for the first time in generations. Further, gas prices in 2016 were the lowest they have been in more than a decade.[15] Given these market conditions, why is a new planning process required now, as opposed to waiting only three years to continue on the normal planning schedule?

6. Under the current leasing program, approximately 70 percent of the economically recoverable offshore resources in the OCS are available to the oil and gas industry for leasing. In the Gulf of Mexico, companies hold leases on approximately 16 million acres, but have developed only approximately 26 percent of that acreage. Please provide all assessments and analysis the Department has undertaken to determine the need for additional leasing acreage at this time.

If you have questions regarding this inquiry, please contact Jon Monger with the Energy and Commerce Committee staff at (202) 225-3641 or Steve Feldgus with the Natural Resources Committee staff at (202) 225-6065. We appreciate your prompt attention to this issue of unique national significance and look forward to your response.

Sincerely,

Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce

Raúl M. Grijalva
Ranking Member
Committee on Natural Resources

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[14] Office of Management and Budget, *America First: A Budget Blueprint to Make America Great Again* (Mar. 2017).

[15] U.S. Energy Information Administration, *Petroleum & Other Liquids* (Apr. 24, 2017) (www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=emm_epm0_pte_nus_dpg&f=a)

Cc:

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce

The Honorable Rob Bishop
Chairman
Committee on Natural Resources