

The Honorable Sean Parnell, Governor of Alaska (Chair)  
The Honorable Bobby Jindal, Governor of Louisiana  
The Honorable Rick Perry, Governor of Texas  
The Honorable Phil Bryant, Governor of Mississippi  
The Honorable Robert Bentley, Governor of Alabama  
The Honorable Nikki Haley, Governor of South Carolina  
The Honorable Robert McDonnell, Governor of the Commonwealth of Virginia



January 9, 2013

The Honorable Nikki Haley  
Governor of South Carolina  
1205 Pendleton Street  
Columbia, SC 29201

*Nikki*  
Dear Governor Haley,

As Chair of the Outer Continental Shelf Governors Coalition, I would like to extend to you an opportunity to participate in a panel discussion on "Offshore Energy Development: Improved State and Federal Communication." The panel will take place on **Monday, May 6, 2013** from 2:00 – 4:00 pm CST, at the Offshore Technology Conference in Houston, Texas. You may recall that in 2011 we announced the formation of the OCS Governors Coalition at the Offshore Technology Conference.

Consumer Energy Alliance has agreed to host the panel and will coordinate all logistics with the Offshore Technology Conference staff. Only governors or their designees in the OCS Governors Coalition will be invited to participate on the panel.

As federal policymakers consider energy production in the Outer Continental Shelf, the Obama Administration must understand and appreciate the valuable role that states play in managing sustainable development of our offshore resources. Governors deserve a seat at the table. This panel will examine the benefits of better federal-state communication on OCS policy decisions and will be an opportunity for members of the Coalition to advocate for a stronger role in OCS policymaking.

Please consider adding your valuable voice to this panel. I look forward to seeing you in Houston.

Best regards,

Sean Parnell  
Governor

## Soura, Christian

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**From:** Soura, Christian  
**Sent:** Thursday, January 31, 2013 11:09 AM  
**To:** Tony Almeida (talmeida2113@gmail.com)  
**Subject:** FW: Offshore Energy

Tony,

YouTube clip and press account below from last year's event on offshore energy.

CLS

**Christian L. Soura**  
Deputy Chief of Staff

(803) 543-0792  
[ChristianSoura@gov.sc.gov](mailto:ChristianSoura@gov.sc.gov)

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**From:** Godfrey, Rob  
**Sent:** Thursday, January 31, 2013 11:05 AM  
**To:** Soura, Christian  
**Subject:** RE: Offshore Energy

IN CASE YOU MISSED IT

Video of Monday's offshore drilling and energy development event with Gov. Nikki Haley, U.S. Lindsey Graham and Congressman Jeff Duncan is available here: <http://www.youtube.com/watch?v=Z3H01fbnTh8&>

Associated Press: Haley, Graham, Duncan promote offshore drilling

COLUMBIA - Three top South Carolina Republicans came together Monday to support federal legislation that would allow drilling of gas and oil off South Carolina's coast, arguing the state's need for jobs and income outweigh potential problems.

"There is a risk in everything you do, but the biggest risk is to do nothing," said U.S. Sen. Lindsey Graham. He said his plan would protect the environment and bar drilling in a 10-mile buffer zone off the coast.

The governor and the S.C. Legislature would determine whether oil and gas exploration could occur within the next 10-to-50 mile stretch, while all areas 50 to 100 miles offshore would be open to drilling leases, Graham said.

Gov. Nikki Haley and U.S. Rep. Jeff Duncan joined Graham at a news conference, where all said they hope the legislation in the U.S. Senate would lead the nation to energy independence and bring thousands of jobs and millions of dollars in revenue to state and federal coffers. Graham was introducing it in the Senate Monday.

"Offshore drilling is where we need to be," said Haley. "This will bring so many more jobs."

The state's jobless rate was 8.8 percent in April.

Haley said those who might protest against such drilling have valid concerns, but, she added, "We're not compromising tourism to do this." ...

The entire story is available here: [http://www.theitem.com/news/ap\\_state\\_news/article\\_5f5f274b-f4a2-5787-989b-8666071398e2.html](http://www.theitem.com/news/ap_state_news/article_5f5f274b-f4a2-5787-989b-8666071398e2.html)

## **Haltiwanger, Katherine**

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**From:** Godfrey, Rob  
**Sent:** Thursday, February 14, 2013 11:19 AM  
**Subject:** Haley, McCrory, McDonnell ask Interior Secretary designate to support offshore energy exploration  
**Attachments:** 2\_14\_energy\_letter - Copy.pdf

### **Haley, McCrory, McDonnell ask Interior Secretary designate to support offshore energy exploration**

**COLUMBIA, S.C.** – Governors Nikki Haley, Pat McCrory (N.C.) and Bob McDonnell (VA) today sent a letter today to Sally Jewell, President Barack Obama's Interior Secretary designate, asking her to re-examine the Obama Administration's opposition to energy exploration and production on the Atlantic Outer Continental Shelf.

An excerpt of the governors' letter is below:

"As governors, we strive to pursue policies that help create jobs and make energy more affordable while protecting our states' natural resources.

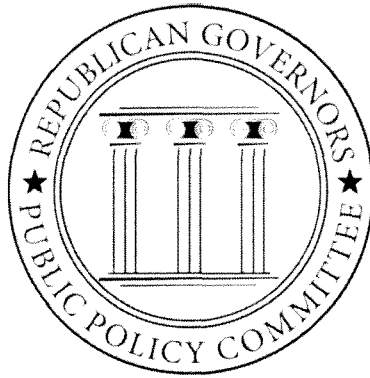
Over the past several years, a number of governors have expressed an interest in reforming off-shore energy policy so that states can safely and prudently take advantage of abundant off-shore resources. During your nomination hearings, we will be listening intently to your answers regarding energy exploration off the coasts of our states and hope you will signal your willingness to revise the Administration's current policy to one that is committed to safely harnessing our coast's vast natural resources...

... It's estimated that energy production from the Atlantic OCS could create more than 140,000 new jobs within the next 20 years, and we hope you will ensure that the Administration is a partner with the states on this issue."

The governors' complete letter is attached.

-###-

**Rob Godfrey**  
**Office of Gov. Nikki Haley**  
**O: (803) 734-5074 | C: (803) 429-5086**



February 14, 2013

Ms. Sally Jewell  
Interior Secretary Designate  
U.S. Department of the Interior  
1849 S. St. NW, MS 7729  
Washington, DC 20240

Dear Ms. Jewell:

Congratulations on your nomination to become the next Secretary of the Interior. We are writing to you regarding the status of off-shore energy policy, especially as it impacts energy exploration and production on the outer continental shelf (OCS). As governors, we strive to pursue policies that help create jobs and make energy more affordable while protecting our states' natural resources.

Over the past several years, a number of governors have expressed an interest in reforming off-shore energy policy so that states can safely and prudently take advantage of abundant off-shore resources. During your nomination hearings, we will be listening intently to your answers regarding energy exploration off the coasts of our states and hope you will signal your willingness to revise the Administration's current policy to one that is committed to safely harnessing our coast's vast natural resources.

Additionally, we implore you to consider the policy recommendations outlined by the Republican Governors Public Policy Committee in 2012, when it released "An Energy Blueprint for America." Among the many policy recommendations: responsible development of our offshore resources; state empowerment to make off-shore explorations restrictions specific to local considerations; and revenue-sharing measures for all off-shore energy projects.

We were heartened to see the recent release of Senate Energy and Natural Resources Committee Ranking Member Lisa Murkowski's (R-AK) "Energy 20/20" blueprint that recommends expanding OCS leasing to the Eastern Gulf of Mexico and parts of the Atlantic OCS including Virginia, North Carolina and South Carolina. We applaud this proposal and sincerely hope that

the Administration under your guidance can work with us and our Congressional colleagues to enact these commonsense measures.

These proposals build on past legislative action from the 112<sup>th</sup> Congress, including the bipartisan Offshore Petroleum Expansion Now Act (OPEN Act) of 2012, sponsored by Senator Mark Warner (D-VA) and former Senator Jim Webb (D-VA), and a suite of bills passed by the House of Representatives.

It's estimated that energy production from the Atlantic OCS could create more than 140,000 new jobs within the next 20 years, and we hope you will ensure that the Administration is a partner with the states on this issue.

We look forward to engaging in a conversation with you about framing a new off-shore energy policy that encourages economic growth and job creation. Governors understand the importance of regulatory oversight, environmental protection, and public health; after all, it is an essential part of our mission and duty to our citizens. Let us work together to continue encouraging the energy revolution that will play a pivotal role in our country's economic and energy security for decades to come.

Sincerely,



Governor Pat McCrory  
North Carolina



Governor Nikki Haley  
South Carolina



Governor Robert F. McDonnell  
Virginia

cc: The Honorable Harry Reid  
The Honorable Mitch McConnell  
The Honorable John Boehner  
The Honorable Nancy Pelosi  
The Honorable Ron Wyden  
The Honorable Lisa Murkowski  
The Honorable Doc Hastings  
The Honorable Edward Markey

## Haltiwanger, Katherine

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**From:** Dustin Huffman <dhuffman@rgppc.org>  
**Sent:** Monday, February 18, 2013 5:59 PM  
**To:** Dustin Huffman  
**Cc:** Marie Sanderson; Deborah Hohlt (debbie@hohlt.com); Seth Levey; Adam.Nordstrom@cch-llc.com; katie.altshuler@gov.ok.gov; Andrew.Silvestri@gov.ok.gov; Will Kinzel (Will.Kinzel@mail.house.gov); Dunn, Brendan (McConnell) (Brendan\_Dunn@mcconnell.senate.gov)  
**Subject:** 2/19 TUESDAY RGPPC Conference Call  
**Attachments:** Letter from Wrestling State Governors to International Olympic Committee v1.2.docx; 2\_14\_energy\_letter[1] copy.pdf; 2013-02-18-Tax\_Reform\_Memo (3).pdf; 2013-2-18-State\_of\_state\_summary.pdf

We will have a brief RGPPC policy call **Tuesday 2/19 morning at 10:30 AM EST.**

### Agenda and notes below:

877-896-5923

Access code: [REDACTED] #

### Agenda:

**Roll Call:** Dustin, Seth- RGPPC

- a) **RGPPC Governors' Staff meeting (Debbie):** On Monday, February 25, 2013 from 10:30 AM – 11:30 AM RGPPC will host Governors' staff w/ guest speaker Doug Holtz-Eakin.

Location: The Willard Office Building  
1455 Pennsylvania Ave., NW  
12th Floor (offices of Davis and Harman)

Purpose: All GOP staff in DC are invited to join our weekly "conference call" in person. Our agenda will include Doug Holtz-Eakin and a potential second guest speaker to offer perspective on the 2013 political and policy landscape. Please join us!

- b) **RGA Meeting (Debbie):** The full packet of briefing materials will be provided to your governor's office by Monica Block, [mblock@rga.org](mailto:mblock@rga.org).
- c) **Reminder: Medicaid costs and waivers (Debbie/Dustin):** Final call for information regarding 1115 Medicaid Reform waivers and Medicaid expansion cost estimates: If your state would like to be included in this document, please email your response to [dhuffman@rgppc.org](mailto:dhuffman@rgppc.org). We **have** responses from the following states: Alabama, Alaska, Idaho, Indiana, Kansas, Louisiana, Mississippi, North Carolina, Oklahoma, Pennsylvania, South Dakota, Tennessee, Utah, Virginia, Wyoming
- d) **RGPPC Off-shore Energy Letter (Debbie/Seth):** On February 14, Governors McCrory, Haley, and McDonnell sent the **attached** letter to the Interior Secretary Designate, Ms. Sally Jewell.
- e) **Issue Briefs:**

1. **Tax Reform Memo (Debbie/Seth):** Attached is a memo that outlines recent tax reforms undertaken or proposed by current and immediate former Republican governors. Please email [slevey@rgppc.org](mailto:slevey@rgppc.org) if you would like to add information from your state.
2. **State of the Sate Outline (Debbie):** As your bosses give their state of the state addresses, RGPPC is creating the attached catalog of goals and accomplishments for each administration. Please email [dhuffman@rgppc.org](mailto:dhuffman@rgppc.org) if you would like to add information from your state.

f) **International Olympic Committee (IOC) Wrestling Decision (Iowa):** Gov. Branstad wanted to reach out to fellow governors, including your bosses, who lead states with rich wrestling traditions to see if they would be interested in signing onto the attached letter to the International Olympic Committee (IOC) President regarding the recent decision to remove wrestling as an Olympic sport.

g) **PhRMA Briefing for Governors' staff on Medicare Part D (Debbie):** Wednesday, March 13, 2013 at 12 - 1 p.m.

Location: Hall of the States  
444 N Capitol St NW  
(between D St & N E St)  
Washington, DC 20001  
Room: 283/285

RSVP: Tiffany McCaslin at [tiffany.mccaslin@phrma.org](mailto:tiffany.mccaslin@phrma.org)

h) **NGA Update (Katie)**

- NGA Winter Meeting: February 23-25

i) **General House and Senate update (Will/Brendan)**

j) **Other business?**

k) **RGPPC 2013 Subcommittee Chairs (Debbie):**

**RGPPC Chairman: Gov. Sam Brownback**

**Economic Development and Infrastructure:**

Chair: Branstad; Vice Chairs: Snyder, Scott

**Education/Workforce :**

Chair: Deal; and Vice Chair: Haslam

**Energy and Environment:**

Chair: Mead; Vice Chairs: Corbett, Parnell

**Healthcare:**

Chair: McDonnell; Vice Chairs: Herbert and Sandoval

**Budget and Tax:**

Chair: Perry; Vice Chair: Haley



**Policy Advisor**

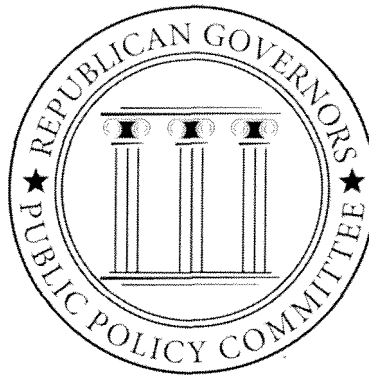
Republican Governors Public Policy Committee | RGA

1747 Pennsylvania Avenue, NW, Suite 250 | Washington, DC 20006

Office: (202) 662-4927

Cell: (202) [REDACTED]

[dhuffman@rgppc.org](mailto:dhuffman@rgppc.org)



February 14, 2013

Ms. Sally Jewell  
Interior Secretary Designate  
U.S. Department of the Interior  
1849 S. St. NW, MS 7729  
Washington, DC 20240

Dear Ms. Jewell:

Congratulations on your nomination to become the next Secretary of the Interior. We are writing to you regarding the status of off-shore energy policy, especially as it impacts energy exploration and production on the outer continental shelf (OCS). As governors, we strive to pursue policies that help create jobs and make energy more affordable while protecting our states' natural resources.

Over the past several years, a number of governors have expressed an interest in reforming off-shore energy policy so that states can safely and prudently take advantage of abundant off-shore resources. During your nomination hearings, we will be listening intently to your answers regarding energy exploration off the coasts of our states and hope you will signal your willingness to revise the Administration's current policy to one that is committed to safely harnessing our coast's vast natural resources.

Additionally, we implore you to consider the policy recommendations outlined by the Republican Governors Public Policy Committee in 2012, when it released "An Energy Blueprint for America." Among the many policy recommendations: responsible development of our offshore resources; state empowerment to make off-shore explorations restrictions specific to local considerations; and revenue-sharing measures for all off-shore energy projects.

We were heartened to see the recent release of Senate Energy and Natural Resources Committee Ranking Member Lisa Murkowski's (R-AK) "Energy 20/20" blueprint that recommends expanding OCS leasing to the Eastern Gulf of Mexico and parts of the Atlantic OCS including Virginia, North Carolina and South Carolina. We applaud this proposal and sincerely hope that

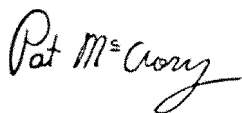
the Administration under your guidance can work with us and our Congressional colleagues to enact these commonsense measures.

These proposals build on past legislative action from the 112<sup>th</sup> Congress, including the bipartisan Offshore Petroleum Expansion Now Act (OPEN Act) of 2012, sponsored by Senator Mark Warner (D-VA) and former Senator Jim Webb (D-VA), and a suite of bills passed by the House of Representatives.

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We look forward to engaging in a conversation with you about framing a new off-shore energy policy that encourages economic growth and job creation. Governors understand the importance of regulatory oversight, environmental protection, and public health; after all, it is an essential part of our mission and duty to our citizens. Let us work together to continue encouraging the energy revolution that will play a pivotal role in our country's economic and energy security for decades to come.

Sincerely,



Governor Pat McCrory  
North Carolina



Governor Nikki Haley  
South Carolina



Governor Robert F. McDonnell  
Virginia

cc: The Honorable Harry Reid  
The Honorable Mitch McConnell  
The Honorable John Boehner  
The Honorable Nancy Pelosi  
The Honorable Ron Wyden  
The Honorable Lisa Murkowski  
The Honorable Doc Hastings  
The Honorable Edward Markey

## **Baker, Josh**

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**From:** Dobson, Amy M (GOV) <amy.dobson@alaska.gov>  
**Sent:** Wednesday, February 20, 2013 4:17 PM  
**To:** Chip Kline; Chris Champion; Sims, Cynthia M (GOV); Daniel Regenstein (dregenstein@georgia.gov); David Holt; Doug Domenech; Bluemink, Elizabeth (DNR); Emily Domenech; Garret; I'man Robinson; Jones, Jeffrey L (GOV); Jill Boxler; John Baldwin (John.Baldwin@nc.gov); Baker, Josh; Haltiwanger, Katherine; Kelly Kennedy; Kelly Nicholson (Kelly.Nicholson@nc.gov); Knudson, Kip C (GOV); Kirk Sims; Robbins, Mark K (GOV); Maureen Matsen; Natalie Joubert; Butzlaff, Nathan B (GOV); Nick Tew; Ruaro, Randall P (GOV); Ricky Diaz; Sara Benghauser; Shana Gooch; Moreland, Stefanie L (GOV); Tony.Almeida@nc.gov  
**Subject:** Final Briefing Book for OCSGC Meeting Friday, February 22nd  
**Attachments:** Combined Electronic Briefing Book for OCS Govs\_Feb 22, 2013 Meeting.pdf

Please see the following email and attachment for information regarding the OCS Governors Coalition meeting taking place this **Friday, February 22<sup>nd</sup>, 2:30 pm at the JW Marriott, Salons J&K:**

### **Confirmed attendees**

Governor Sean Parnell, State of Alaska (Chair)  
Governor Pat McCrory, State of North Carolina  
Governor Phil Bryant, State of Mississippi  
Secretary Doug Domenech, Commonwealth of Virginia

Observing the meeting: Staff from OCS Governors Coalition members, including staff from Texas and Alabama

### **Table of Contents for Briefing Book (Hard Copies Will be Available on Friday)**

#### **TAB 1: PDF Page 2: Information on February 22<sup>nd</sup> Meeting and Coalition**

Draft Agenda for Friday, February 22<sup>nd</sup> Meetings  
Review of Coalition and Current Membership  
Information on Next OCS Meeting on May 6, 2013

#### **TAB 2: PDF Page 6: Briefing Materials for OCS Governors Coalition Members**

Briefing Document on Current Federal Legislative and Regulatory Actions Affecting OCS  
Briefing Document on Recent Policy Priorities Taken by the OCS Governors Coalition

#### **TAB 3: PDF Page 16: Selected Records of OCS Governors Coalition Activity**

Letter to President Obama (August 8, 2012)  
*Houston Chronicle* Article on Letter  
*Wall Street Journal* Op-Ed by Governor McDonnell  
Letter to President Obama (March 13, 2012)  
Meeting Minutes from February 23, 2012 Face to Face Meeting in Washington, DC

#### **TAB 4: PDF Page 29: Items for Review and Approval**

Draft Bylaws for Review  
Draft Website Content on "OCS 101" and "OCS Governors Policy Positions"

Thank you,

**Amy Dobson**

Researcher/Scheduler

Office of Governor Sean Parnell | Alaska

444 North Capitol Street, NW, STE 336

Washington, DC 20001

Phone: 202-624-5858

Fax: 202-624-5857

[amy.dobson@alaska.gov](mailto:amy.dobson@alaska.gov)

[www.gov.state.ak.us](http://www.gov.state.ak.us)



**Outer Continental Shelf Governors Coalition:  
Electronic Briefing Books for February 22, 2013 Meeting**

**TAB 1: PDF Page 2: Information on February 22<sup>nd</sup> Meeting and Coalition**

Draft Agenda for Friday, February 22<sup>nd</sup> Meetings

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**Outer Continental Shelf Governors Coalition**

**Winter Meeting Draft Agenda**

JW Marriott, Salons J&K ▪ Washington, DC

February 22, 2013

- I. Welcome & Introductions by OCS Governors Coalition Chairman Governor Sean Parnell
  - a. Review of Administrative Matters
- II. Review of Each Governor's OCS Priorities: Historical and Future Challenges and Opportunities
- III. Review of the OCS Governors Policy Objectives
- IV. Open Discussion
- V. Concluding Remarks
- VI. Media Availability (More Details to Follow)

**Draft Agenda for Staff-Only Meeting**

(Meeting to Follow Governors' Portion in Salons J&K)

- I. Discussion of bylaws and dues
- II. Discussion on Action Items from Governors
- III. Discussion on Future Meeting Opportunities
- IV. Discussion on Additional Learning Opportunities



## **Outer Continental Shelf Governors Coalition**

### **Review of Coalition**

#### **About:**

The Outer Continental Shelf (OCS) Governors Coalition is a group of coastal state governors who joined together in May 2011 to promote a constructive dialogue on OCS energy-resource planning and development amongst coastal state governors and federal policy makers. As governors, all Coalition members support policies that encourage expansion of all forms of American energy production – both onshore and offshore.

By law, all federal decisions regarding energy exploration and production on the OCS must be made in consultation with affected states. However, in recent years the federal government has taken significant actions affecting OCS energy development with little consultation with the states. For this reason, the governors have joined the coalition to foster a more productive dialogue between the federal government and the coastal states on energy-resource evaluation, sustainable resource development, and other OCS policy matters.

#### **Current Members:**

Governor Robert Bentley, State of Alabama  
Governor Sean Parnell, State of Alaska (Chair)  
Governor Bobby Jindal, State of Louisiana  
Governor Phil Bryant, State of Mississippi  
Governor Pat McCrory, State of North Carolina  
Governor Nikki Haley, State of South Carolina  
Governor Rick Perry, State of Texas  
Governor Robert McDonnell, Commonwealth of Virginia



**Mission:**

In May 2011, the OCS Governors Coalition came together with a simple mission:

- Improve communication between federal and state officials on OCS issues.
- Improve understanding of potential energy resources and opportunities adjacent to the various coastal states.
- Improve understanding of the impact those energy resources could have on local, state and federal revenues.
- Improved management and stewardship of coastal resources related to coastal and ocean activities.

As a unified force, the Governors work with an amplified voice to advance this mission and to influence a sensible path forward for the development of America's offshore energy resources.



## **Outer Continental Shelf Governors Coalition**

### **Information on Next Planned Meeting**

**What:** Consumer Energy Alliance panel discussion on "Offshore Energy Development: Improved State and Federal Communication" held during the Offshore Technology Conference

**When:** Monday, May 6, 2013 at 2:00pm CST

**Where:** Reliant Center  
8400 Kirby Drive  
Houston, TX 77054

**Who:** All OCS Governors Coalition members and their cabinet-level surrogates have been invited by Governor Parnell and Consumer Energy Alliance to participate on the panel. The panel is only open to OCS Governors Coalition members and their designees.

**Info:** Participants on the panel are asked to discuss the benefits of better federal-state communication on OCS policy decisions and to discuss ways that states can play a more active role in OCS policy planning.

The Offshore Technology Conference is an annual event in Houston that attracts over 80,000 visitors from across the globe. Consumer Energy Alliance has previously hosted panels at the conference in 2010 and in 2011, during which former Mississippi Governor Barbour announced the formation of the OCS Governors Coalition alongside representatives from Alaska, Louisiana, Virginia and Texas.

**Contact:** David Holt, President, Consumer Energy Alliance:

[dholt@consumerenergyalliance.org](mailto:dholt@consumerenergyalliance.org)

713- [REDACTED]

Kip Knudson, Director of State/Federal Relations, Office of Governor Sean Parnell, State of Alaska

[Kip.knudson@alaska.gov](mailto:Kip.knudson@alaska.gov)

202- [REDACTED]



**Outer Continental Shelf Governors Coalition**  
*Briefing Document on Current Federal Legislative and Regulatory Actions  
Affecting OCS Development*

**Revenue-Sharing:**

Legislation to expand revenue-sharing to states outside of the Gulf of Mexico region likely will advance during this Congress.

Senate Energy & Natural Resources Chairman Ron Wyden (D-OR) has spoken positively about the need to allow states revenue-sharing for energy development – both traditional and renewable – off their shores.

Senate Energy and Natural Resources Ranking Member Lisa Murkowski (R-AK) is drawing up legislation to expand revenue sharing with states to cover fossil fuels and renewable energy sources that lie offshore and on federal land. Murkowski's plan would grant new states that house wind, oil, natural gas and other energy production off their coastlines an automatic revenue share of 27.5 percent, with another 10 percent available if those funds are directed to research and development, alternative energy, efficiency and conservation. This legislation will likely be introduced in the very near future.

It is also likely that Senator Mary Landrieu (D-LA) will again pursue legislative efforts to lift the \$500 million cap on offshore drilling royalties given to Alabama, Louisiana, Texas and Mississippi.

Finally, in late January, Alaska Senator Mark Begich (D, AK) introduced a bill, S 199, the Alaska Adjacent Zone Safe Oil Transport and Revenue Sharing Act, which requires oil produced in the federal waters of the Chukchi and Beaufort Seas to be brought ashore by pipeline, a method that is safer than tanker transport and secures future throughput for the Trans-Alaska Pipeline. The measure also breaks down stakeholder sharing by providing Alaska with 37.5% of the federal bonus bids and royalty share from any energy development, fossil or renewable. Of that 37.5%:

- 25% is directed to local governments
- 25% is directed to Alaska Native village and regional corporations;
- 10% is directed tribal governments;
- 40% goes to the State of Alaska.

The proposed bill also dictates that:

- 15% of the federal share of royalties is directed to the Land and Water Conservation Fund
- 7.5% of the federal share is dedicated directly to deficit reduction

### **OCS Liability Reform:**

Oil spill liability requirements for oil and gas producers set by the Oil Pollution Act of 1990 are believed by many to be inadequate and have been under increasing scrutiny following the 2010 *Deepwater Horizon* spill. Following the oil spill, scores of bills were introduced in Congress that would have increased liability requirements and increased the liability cap from its current \$75 million. Congress has yet to act on oil spill liability reform. The federal government has taken steps to try to ensure more adequate regulation and inspection while industry has initiated new practices and technologies to reduce risk and increase clean up capabilities such as the Helix containment system and the Marine Well Containment Company system. However, many in Congress have expressed interest in pursuing liability reform during the 113<sup>th</sup> Congress. Elimination of a liability cap or a significant increase in the cap could have negative consequences for smaller independent oil and gas producers that may be unable to meet the financial requirements for liability coverage.

### **Sequestration – Impact to DOI:**

According to a letter from Secretary Salazar to Senate Appropriations Chairwoman Barbara Mikulski (D-MD), sequestration cuts could dramatically affect the pace and level of permitting by offshore regulators. According to *E&E News*, the DOI would “struggle to process more than 500 exploration and development plans in the Gulf of Mexico if Congress fails to avert the \$85 billion in discretionary spending cuts, set to take effect March 1.” Essentially, limited and strained resources at the Department of the Interior could slow the pace of current OCS operations. Furthermore, the cuts could also affect the advancement of OCS development off Alaska, seismic surveying in the Atlantic and the Arctic, and development of offshore wind programs.

### **Regional Offshore Wind Planning:**

The federal Bureau of Ocean Energy Management (BOEM) is responsible for offshore renewable energy programs and has made significant strides over the past few years to advance a regulatory framework for offshore renewable energy. In some states, including North Carolina, South Carolina and Virginia, the BOEM has established state-based Renewable Energy Task Forces, which typically only include representatives from federal, state, tribal and local governments, to facilitate intergovernmental communications regarding OCS renewable energy activities. In Virginia and North Carolina, the BOEM is currently pursuing the regulatory steps necessary to move forward with an offshore wind lease sale.

### **Arctic OCS:**

Upcoming assessments by federal regulators, notably the report by the Interagency Working Group on Alaskan Energy and the Department of the Interior's 60-day review of Shell Alaska's offshore program, could dramatically affect the trajectory of Alaskan OCS development. Both assessments are to be released within the very near future.

The Interagency Working group was formed by Executive Order in July 2011 to coordinate the efforts by multiple federal agencies involved in permitting Alaskan offshore and onshore energy projects. The group's goal is to improve the efficiency of the permitting process without compromising environmental protections. The multiple challenges and delays experienced with permitting current Alaskan OCS exploration programs has been a major focus of the working group. The group will issue a report to the President in the near future reviewing key Arctic trends and potential long-term development to inform an integrated Arctic management plan.

Second, in early January the Department of the Interior launched a 60-day expedited review of the 2012 Alaskan offshore drilling program in the Beaufort and Chukchi Seas to assess activities and lessons learned. DOI stated that the review will specifically evaluate "Shell's safety management systems, its oversight of contracted services, and its ability to meet the strict standards in place for Arctic development."

In addition to these assessments, there will be great attention paid to whether federal regulators will be able to permit Shell's summer 2013 operations in a timely manner. Previously, delays in permitting from various federal agencies have caused the company to cancel or shorten its season. Of note, EPA must issue usable air permits for the rigs used during drilling, permits that have previously caused delays for the operator.

### **National Ocean Policy:**

The intent of a National Ocean Policy is to implement coastal and marine spatial planning, among other planning objectives. The National Ocean Council, formed by Executive Order in 2010, has raised concerns and uncertainty about future access to offshore energy exploration and raised questions about the transparency of such an initiative.

The National Ocean Policy's final implementation plan could be released in March 2013. Currently, regional planning bodies are being established with Northeast and Mid-Atlantic planning bodies in the further stages of development. Underscored by its recent decision not to provide \$150 million to a grant program that has been used by NOAA to help advance the National Ocean Policy and Coastal and Marine Spatial Planning, Congress will be closely reviewing the submission of federal budget requests for any National Ocean Policy-related items. Upcoming budget and nomination hearings will provide the context for continued and active congressional oversight of the National Ocean Policy.



## **Outer Continental Shelf (OCS) Governors Coalition 2013 Objectives for Offshore Energy**

### ***Serve as the Principal Source of Information on OCS Policy***

The OCS Governors Coalition strongly believes that its collective influence, experience and intelligence over matters of offshore energy development qualify it to be one of the leading sources of expert information on Outer Continental Shelf policy and its impacts on the economy and U.S. energy security.

The development and execution of federal OCS policy, particularly leasing decisions, is a convoluted, lengthy process oftentimes not well understood by the media or the public. As such, the OCS Governors aims to better educate the media and the public on the importance of sound OCS policy and the critical role that state governments have in its development. By establishing itself as a leading voice in the public debate, the Coalition hopes that coastal governors will thus be afforded greater opportunities to participate in OCS policy, as guaranteed by law.

As promulgated by the Outer Continental Shelf Lands Act of 1953 (OCSLA), all submerged lands lying seaward of State coastal waters (3 miles offshore) are under U.S. jurisdiction. Specifically, the U.S. Secretary of the Interior is responsible for the administration of mineral exploration and development of the OCS, including development and execution of a five-year leasing program that governs all offshore leasing for oil & natural gas exploration and production.<sup>1</sup>

While the Department of the Interior maintains responsibility over the five-year plan, states have a role to play in its development. As provided in Section 18 of the OCSLA, the leasing program must be "prepared and maintained in a manner consistent with ...laws, goals, and policies of affected States which have been specifically identified by the Governors of such States as relevant matter for the Secretary's consideration."<sup>2</sup> The law goes on further to state:

During the preparation of any proposed leasing program under this section, the Secretary shall invite and consider suggestions for such program from any interested Federal agency, including the Attorney General, in consultation with the Federal Trade Commission, and from the Governor of any State which may become an affected State under such proposed program.<sup>3</sup>

Despite the federal government's legal obligation to consult with the governors on the development of the five-year plan, the Coalition has expressed its frustration that the governors' opinions were not adequately considered during the development of the most recent five-year plan for 2012-2017. The Coalition detailed these concerns in two letters to President Obama in 2012. The President has yet to formally respond.

In better leveraging the Coalition as a "go-to" source of information and elevating its profile, the Coalition hopes to advance one of its core missions: improved communication between federal and state officials on OCS issues.

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<sup>1</sup> Outer Continental Shelf Lands Act of 1953 §18, 83 USC

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.



## Outer Continental Shelf (OCS) Governors Coalition 2013 Objectives for Offshore Energy

### *Expanding Areas Available for Offshore Energy Development*

According to the federal government, the U.S. OCS contains an estimated 86 billion barrels of undiscovered, technically recoverable oil and 420 trillion cubic feet of undiscovered, technically recoverable natural gas.<sup>4</sup> Moreover, shallow areas in Atlantic, Eastern Gulf of Mexico and the Pacific have been identified as showing strong potential for offshore wind development.

Despite these vast resources, many of these areas remain closed to exploration and production due to varying federal policies that restrict access. According to Department of the Interior Secretary Salazar, even after over 50 years of exploration and development, "70% of total resources are yet to be discovered." Of this, Secretary Salazar stated that "more than half of this potential exists in areas of the Outer Continental Shelf outside the central and western Gulf of Mexico."<sup>5</sup> Various seismic testing and other research can provide insight to the potential resources base in an area, but exploration is necessary to determine a more accurate picture of oil and gas reserves.

With the Department of the Interior Secretary Salazar's approval of the Proposed Final Five-Year Plan for Oil and Gas Leasing for 2012-2017 in August 2012, the Department has decided not to open access to any new frontiers for the next five years, including in the Mid- and South-Atlantic. The decision foregoing lease sales in the Mid-Atlantic came despite strong bipartisan support from Virginia's Congressional and Commonwealth officials for the reinstatement of lease sales off Virginia. The exclusion of new frontier areas in this five-year plan means that exploration of these rich offshore areas will not proceed until at least 2018, if not later. The only way to change this outlook would be to replace the current leasing program for 2012-2017 with a new, expanded schedule or force additional lease sales outside the current program through federal legislation.

Areas of particular interest include<sup>6</sup>:

- **The Mid-Atlantic:** Mean estimates of UTRR resources are 1.4 billion barrels of oil and 19.36 trillion cubic feet of gas;
- **The South-Atlantic:** Mean estimates of UTRR are 500 million barrels of oil and 2 trillion cubic feet of gas;
- **Eastern Gulf of Mexico** (parts are under Congressional moratorium under 2022): Mean estimates of UTRR are 5 billion barrels of oil and 16 trillion cubic feet of gas.

Conversely, the OCS Governors Coalition is pleased with the progress in advancing offshore wind development in many areas. Existing leases off Delaware, Maine and Massachusetts and future leases in additional areas will play an important role in providing renewable electricity to coastal states and furthering energy diversity and security for coastal communities. The Coalition believes that evaluation

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<sup>4</sup> Congressional Research Service, "U.S. Offshore Oil and Gas Resources: Prospects and Processes," April 2010.

<sup>5</sup> Erik Palm, "Interior Secretary: Wind could replace coal power," *CNET*, April 8, 2009.

<sup>6</sup> Bureau of Ocean Energy Management, "Assessment of Undiscovered Technically Recoverable Oil and Gas Resources of the Nation's Outer Continental Shelf, 2011."

[http://www.boem.gov/uploadedFiles/2011\\_National\\_Assessment\\_Factsheet.pdf](http://www.boem.gov/uploadedFiles/2011_National_Assessment_Factsheet.pdf).



and leasing has been successful thus far due in part to the level of coordination between the states and the Bureau of Ocean Energy Management on leasing and development decisions. Task forces developed and executed in states such as South Carolina and Virginia in many ways exhibit the type of communication and coordination that should occur with all offshore energy development decisions.

The OCS Governors Coalition strongly believes the federal government must expand opportunities for offshore energy development in these areas now. Rising global demand for energy requires that the United States proactively pursue development of American resources – both traditional and renewable – to minimize dependence on foreign energy. Furthermore, states must have a more active voice in determining whether areas off their coasts are available for energy development.





**Outer Continental Shelf (OCS) Governors Coalition  
2013 Objectives for Offshore Energy**

***Accelerate the Pace of Permitting in the Gulf of Mexico and the Alaskan OCS***

Since the *Deepwater Horizon* accident in the Gulf of Mexico in 2010, the time it takes for an operator to secure an operational permit or approval of an exploration or development plan has increased significantly.

For operators on federal land, including offshore operators in the Gulf of Mexico, the average approval wait-time can be several times longer than the wait-time for a similar permit on private or state-owned land. Recent statistics show that the average approval time for a plan in the Gulf of Mexico was 110.6 days in July 2012, up from an historical average of 61 days.<sup>7</sup> The average approval time since the lifting of the federal, deepwater moratorium (October 2010 to July 2012) was 104.1 days.<sup>8</sup>

Conversely, state agencies generally take much less time to approve permits and plans for development on private and state lands. While the average wait-time varies from state to state, anecdotal evidence from states including North Dakota, Ohio and Colorado demonstrates that permitting at the state level can take as little 10 to 27 days.<sup>9</sup>

These statistics may be frustrating to lease owners in the Gulf of Mexico, but operators off Alaska have experienced permitting and plan approval delays that must be measured in years, not days. Shell Oil purchased leases in the Beaufort and Chukchi Seas in 2005 and 2008, respectively, for over \$2 billion. However, ongoing permitting delays and litigation targeting these permits have prevented Shell from drilling on its leases for nearly seven years. In summer 2012, the federal government failed to finalize all of Shell's necessary permits in a timely manner and, therefore, the operator was only capable of completing top-hole work during its limited season. Shell anticipates it will be able to drill to hydrocarbon depth during its summer 2013 season, but this depends on whether the federal government can successfully permit the program in a timely manner.

***Path Forward:***

In order to accelerate the pace of permitting and ensure lessees are afforded with timely permits and plan approvals, the offices charged with reviewing these applications – principally the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, the Environmental Protection Agency, and the National Oceanic and Atmospheric Administration – must receive adequate resources. Furthermore, regulators must provide operators with clear guidelines and expectations for applications to minimize or eliminate the time spent by regulators seeking additional information or clarification.

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<sup>7</sup> Greater New Orleans, Inc. "GPI+ - Gulf Permit Index – As of July 31, 2012." <http://gnoinc.org/wp-content/uploads/GPI+-2012.08.24.pdf>.

<sup>8</sup> Ibid.

<sup>9</sup> Institute for Energy Research, "U.S. Oil Production Up, But on Whose Lands?" September 24, 2012. <http://www.instituteforenergyresearch.org/2012/09/24/u-s-oil-production-up-but-on-whose-lands-2/>



## **Outer Continental Shelf (OCS) Governors Coalition 2013 Objectives for Offshore Energy**

### ***Expanding Revenue-Sharing for Interested States***

In 2006, the U.S. Congress passed the Gulf of Mexico Energy Security Act (GOMESA) promulgating that the states of Texas, Louisiana, Mississippi and Alabama receive 37.5 percent of all royalties from new oil and natural gas development in federal waters adjacent to the respective state.<sup>10</sup> The intent of GOMESA is to ensure states have adequate resources to fund coastal restoration and conservation initiatives and hurricane protection projects. As such, on top of revenues distributed to the GOMESA states, 12.5 percent of revenues are allocated to the federal Land and Water Conservation Fund.

The amount states can receive year-to-year directly correlates to the amount of revenue generated from production royalties, rent, and lease sales. During the first phase of GOMESA, first implemented in 2007, states receive qualified revenues from new leases issued in the 181 Area in the Eastern Planning Area and the South Area. In 2017, the second phase of GOMESA will expand qualified revenues to include receipts from any lease sales issued in the Gulf of Mexico after December 20, 2006. Over the past few years, the amount of revenues shared with states has fluctuated significantly depending on activity levels. For example, in fiscal year 2008, GOMESA states received over \$25.2 million in revenue sharing, thanks in part to two successful lease sales in the Gulf of Mexico. In fiscal year 2011, conversely, the GOMESA states only received \$692,000 since the federal government did not hold any lease sales.<sup>11</sup>

Currently, offshore revenue-sharing as provided under GOMESA only extends to the four states included in the original legislation; Alaska, Virginia, Florida and other states that are either developing offshore resources or are exploring the potential to will not be provided revenue-sharing under current law. The OCS Governors Coalition seeks to collaborate with the federal government to determine how to extend benefits given to the Gulf States under GOMESA to other coastal states pursuing offshore oil and gas development.

For example, if Florida were to receive revenue-sharing from future production in the Eastern Gulf of Mexico that only amounted to between 10 and 25 percent of the 37.5 percent shared by GOMESA states, this could amount to \$400 million to \$800 million over a 20-year period — or roughly \$20 million to \$40 million a year.<sup>12</sup>

Moreover, revenue-sharing is provided for onshore energy development and in many energy-producing states it provides significant funds to state and local governments. The Coalition believes this disparity is unfair and does not properly account for the fact that states hosting offshore development experience some of the same impacts that interior energy states face. As the chart below exemplifies, for states like Alaska, the disparity between onshore and offshore revenues can be massive:

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<sup>10</sup> Bureau of Ocean Energy Management, "Gulf of Mexico Security Act (GOMESA)," <http://www.boemre.gov/offshore/GOMESARevenueSharing.htm>.

<sup>11</sup> Office of Natural Resources Revenue, <http://www.onrr.gov/ONRRWebStats/Home.aspx>.

<sup>12</sup> Collins Center for Public Policy, "Potential Impacts of Oil and Gas Exploration in the Gulf," April 2010.



### Federal Oil & Gas Royalty Payments to the State of Alaska

Federal Acreage	Share of Royalties to State of Alaska	Share of Bonus Bids and Rents to State of Alaska	Total Federal Disbursement to the State of Alaska in 2010 (in millions)
Arctic National Wildlife Refuge	Mineral Leasing Act of 1920 provides for 90% of royalties to the State; ANWR leasing legislation proposes 50%-50% split; final amount will be negotiated.	Bonus bids and rental sharing mirror the royalty sharing agreement.	\$0.00
Offshore (3-6 miles)	27%	No sharing of bonus bids and rents with the State.	\$5.80
Offshore (Beyond 6 miles)	No royalties to the State at this time.	No sharing of bonus bids and rents with the State.	\$0.00
National Petroleum Reserve-Alaska (NPR-A)	50%	50% of bonus bids and rents.	\$3.84
Other Onshore Federal Lands (Cook Inlet)	90%	90% of bonus bids and rents.	\$14.24

\* The year 2010 was chosen as it is representative of most recent years' revenue disbursements.

\*\*In 2010, the State of Alaska and local governments in Alaska received a combined \$37 million pursuant to the federal Coastal Impact Assistance Program (CIAP). The program provided a portion of OCS revenues to select oil and gas producing states and local governments only from 2007-2010 to mitigate the impacts of such oil and gas activities.

As the federal government examines opportunities for expanded energy development outside the western and central Gulf of Mexico, all U.S. states should be afforded the opportunity for revenue-sharing. This revenue can help state and local governments fund coastal conservation and hurricane protection as well as fund other critical state services – all at a time when many state budgets continue to struggle through difficult economic times. The Coalition strongly supports legislative efforts to expand revenue-sharing equitably to all offshore energy-producing states.



## Outer Continental Shelf (OCS) Governors Coalition 2013 Objectives for Offshore Energy

### *Updating OCS Resource Evaluation and Knowledge*

In deciding whether to pursue offshore development off their coasts, states must have an up-to-date assessment of the potential resource base off their coasts. With many offshore areas closed to exploration, accurate estimates of oil and gas reserves in many areas do not exist.

For areas outside of known, explored oil and natural gas fields, the federal government relies on various geophysical, geological, technical and economic studies to conceptualize potential reserves in frontier areas. Concurrent with advances in knowledge and technology, assessments of the amount of undiscovered technically recoverable resources (UTRR) increases with each evaluation. As the chart from the Bureau of Ocean Energy Management (BOEM) demonstrates, in the last four evaluations over a 15-year span, estimates for UTRR of oil have nearly tripled.<sup>13</sup>

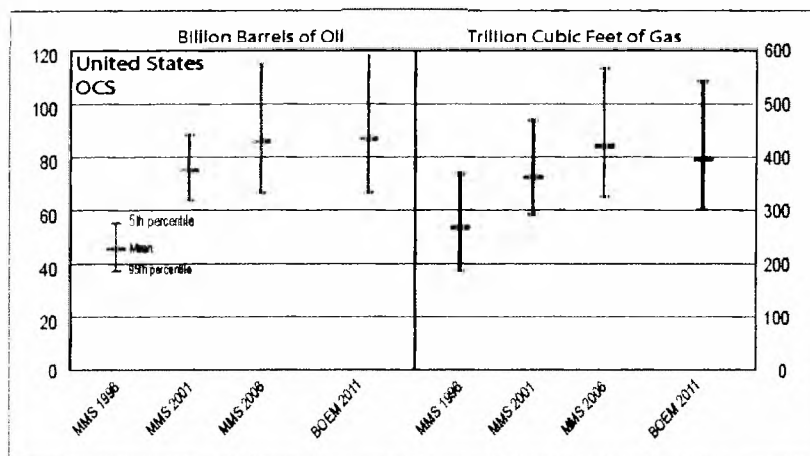


Figure 4. Comparison of UTRR from BOEMRE 1996, 2001, 2006 assessments.

The OCS Governors Coalition believes expanded evaluation of offshore areas – in particular those currently not open to oil and gas exploration and production – is necessary for policymakers to make informed decisions about the economic and environmental goals of offshore energy policy. Having current hydrocarbon resource assessment information would also allow more effective communication between federal and state officials regarding resource potential and offshore energy policy.

To this effect, the OCS Governors Coalition supports funding the Bureau of Ocean Energy Management's Resource Evaluation Program. For areas including offshore Alaska, the Atlantic and part of the Pacific OCS where sparse data exists, the Coalition also supports seismic testing and exploration in order to better understand the potential size and value of the potential resource base.

<sup>13</sup> Bureau of Ocean Energy Management, "Assessment of Undiscovered Technically Recoverable Oil and Gas Resources of the Nation's Outer Continental Shelf, 2011." [http://www.boem.gov/uploadedFiles/2011\\_National\\_Assessment\\_Factsheet.pdf](http://www.boem.gov/uploadedFiles/2011_National_Assessment_Factsheet.pdf).

The Honorable Bobby Jindal, Governor of Louisiana (Chair)  
The Honorable Sean Parnell, Governor of Alaska  
The Honorable Rick Perry, Governor of Texas  
The Honorable Phil Bryant, Governor of Mississippi  
The Honorable Robert Bentley, Governor of Alabama  
The Honorable Nikki Haley, Governor of South Carolina  
The Honorable Robert McDonnell, Governor of the Commonwealth of Virginia



August 8, 2012

The Honorable Barack Obama  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President:

On behalf of all the governors who participate in the Outer Continental Shelf (OCS) Governors Coalition, we would like to inquire about the status of your response to our enclosed letter, dated March 13, 2012, regarding concerns that we have on energy development. Furthermore, we would like to address some questions and concerns that have arisen since we initially sent the March 13<sup>th</sup> letter.

One of the principal objectives of the Coalition is to advance the dialogue between federal and state officials. Unfortunately, to date no member of the Coalition has received a response from your administration on the March 13<sup>th</sup> letter, and we are becoming increasingly concerned about the lack of communication from the federal government on critical matters that affect our coastal development.

Specifically, we are concerned that your administration did not properly consult with the coastal states on the Proposed Final Outer Continental Shelf Oil and Natural Gas Leasing Program for 2012-2017 prior to its release by the U.S. Department of the Interior on June 28<sup>th</sup>. In the plan, the administration fails to expand adequate access to resource-abundant areas in the Arctic and fails to establish leasing in the Mid- and South-Atlantic. Both of these decisions appear to have been made without proper consultation from the states, as required by the Outer Continental Shelf Lands Act, and without sufficient explanation for the reversal in decision from previous plans. We do not seek to cause further delay or otherwise impair the implementation of the current proposed final leasing program, even with its reduced scope, because it remains the only mechanism for the federal government to continue to offer any OCS lease sales now that the 2012-2017 Program has been issued. But we continue to ardently desire constructive engagement with the administration to explore ways to expand OCS access in parallel with the 2012-2017 Program.

In the Arctic, the proposed plan allows for only three lease sales in the Arctic OCS – one in the Chukchi Sea, one in Beaufort Sea, and one in the Cook Inlet – all of which appear to be postponed by one-year from the date proposed in the draft plan. The final plan further removes millions of acres in the Arctic from leasing in order to form “study areas,” raising the likelihood that these Arctic lease sales may never occur. The Department of the Interior did not reach out to the State of Alaska for input on these decisions, as is legally required.

In addition, the proposed plan does not include any leases in the Mid- and South-Atlantic, notwithstanding the fact that a lease sale off Virginia had been included in a previous five-year plan but was cancelled indefinitely without sufficient consultation with the Commonwealth of Virginia. The bipartisan leadership in Virginia has indicated clearly its support for a leasing program in the Atlantic and has thoroughly addressed the administration’s concerns about safety and spill containment infrastructure and coordination with military operations in the area.

Finally, the plan does not properly account for the possibility of expediting and expanding the lease sale schedule in the Gulf of Mexico prior to the end of this five-year plan. Lease sale delays associated with the BP oil spill have caused the Gulf States to lose anticipated Gulf of Mexico Energy Security Act funding. By expediting and expanding possible lease sales in this area now, the Department of the Interior can execute pre-lease sale procedures and limit the amount of wait time between the new lease sales.

We believe that the federal government must abide by its legal responsibility to allow coastal state governors better opportunities to consult on the development and mitigation of the five-year plan. Failure to do so has led to a highly disappointing 2012-2017 Five-Year Plan that severely limits the ability of the United States to develop new areas offshore, grow our economy, and decrease our dependence on overseas oil.

The Coalition would appreciate a prompt response from your administration. We look forward to communicating with you soon.

Sincerely,



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The Honorable Bobby Jindal, Governor of Louisiana (Chair)



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The Honorable Robert Bentley, Governor of Alabama



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The Honorable Sean Parnell, Governor of Alaska




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The Honorable Nikki Haley, Governor of South Carolina



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The Honorable Rick Perry, Governor of Texas



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The Honorable Robert McDonnell, Governor of the Commonwealth of Virginia



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The Honorable Phil Bryant, Governor of Mississippi

Enclosed: Letter to President Obama dated March 13, 2012



## **Coastal governors decry limited role in offshore drilling plan**

Posted on August 9, 2012 at 4:00 am by [Jennifer A. Dlouhy](#)

The Obama administration ignored the wishes of coastal leaders when assembling a plan for offshore drilling near their shores, says a group of Republican governors from Texas, Louisiana and other states.

In a letter to President Barack Obama late Wednesday and obtained exclusively by Hearst Newspapers, the pro-drilling governors say they are "concerned about the lack of communication from the federal government on critical matters that affect our coastal development."

In particular, the group complains that the Interior Department did not consult properly with coastal states on its a plan for selling offshore oil and gas drilling leases from 2012-2017 before finalizing the plan in June.

The five-year offshore lease plan focuses on allowing oil and gas development in already-explored areas of the Gulf of Mexico and the Arctic, while ruling out lease sales in Atlantic waters, despite pressure from some Virginia officials eager for exploration off the commonwealth's shores.

The administration's program sets up 12 Gulf of Mexico lease sales as well as the possibility of three auctions for rights to drill in waters near Alaska.

The nine governors who wrote Obama on Wednesday under the umbrella of the year-old Outer Continental Shelf Governors Coalition described that drilling plan as anemic.

"The administration fails to expand adequate access to resource-abundant areas in the Arctic and fails to establish leasing in the Mid- and South-Atlantic," the group said. And Arctic lease sales "may never occur," the governors said, because the government is requiring further study of that area.

Under the administration's targeted-leasing approach to Arctic and Alaskan waters, federal regulators will decide what acreage to put on the auction block in a bid to avoid harming wildlife and the indigenous communities that depend on whaling and fishing for food.

The governors also criticized the administration for closing the door to eventually allowing and expediting more than the 12 scheduled auctions in the Gulf of Mexico, even though several sales were delayed after the 2010 oil spill. Gulf Coast states claim a share of federal royalty revenue for oil and gas produced near their shores.

Signers were Govs. Rick Perry of Texas, Sean Parnell of Alaska, Bobby Jindal of Louisiana, Phil Bryant of Mississippi, Robert Bentley of Alabama, Nikki Haley of South Carolina, and Robert McDonnell of Virginia.

Interior Department spokeswoman Kate Kelly rejected the governors' complaint about poor consultation.

"In developing the five-year program, Interior conducted outreach and sought input from all 50 states, tribes and other stakeholders," Kelly said. "Through multiple venues, including formal comment periods and public hearings, states provided feedback that helped inform the final plan."

Tommy Beaudreau, the head of the Bureau of Ocean Energy Management that assembled the leasing program, told Congress in May that his agency conducted public hearings in Gulf Coast states, Washington, and across Alaska's North Slope and considered more than 280,000 public comments in crafting the final sale schedule.

Federal officials first began seeking public input on the five-year program with a formal request for information in August 2008.

When the coastal governors coalition formed in May 2011, the top offshore drilling regulator at the time, Michael Bromwich, sent a letter to the group inviting them to talk about coastal exploration and noted that he regularly met with Louisiana officials on the issue. Bromwich later said the coalition had not taken him up on his invitation to meet.

Separately, Beaudreau has defended the administration's targeted-leasing plan for Arctic and Alaskan waters as an approach that takes local communities' needs — as well as other factors — into account.

The Outer Continental Shelf Lands Act, which governs oil and gas leasing in federal waters, requires the government to consult with coastal states and localities while developing leasing programs.

The coastal governors coalition said it still is waiting for a response to a letter it sent the White House in March asking for a dialogue about offshore development.

"For five months, this administration has ignored our outreach attempting to improve the state-federal dialogue," said Perry spokeswoman Allison Castle.

Randall Luthi, the president of the National Ocean Industries Association, said the governors were "wise to point out the flaws" in the administration's "deeply disappointing five-year plan."



A government advisory committee comprising state and local government leaders, which for more than three decades counseled the Interior Department on offshore leasing, exploration and development, was disbanded in 2010.

The House of Representatives voted last month to reject the administration's five-year drilling plan and replace it with a more aggressive leasing plan backed by GOP leaders, which would schedule 29 auctions over the next five years. A bipartisan coalition in the Senate also is advancing an expanded leasing plan.

But any move to toss out the Obama administration's five-year offshore program would halt pending lease sales, including a Nov. 28 auction of drilling rights in the western Gulf of Mexico. It almost certainly would trigger a new round of environmental studies of any new sale schedule that could take more than a year to complete.

*A copy of the coastal governor's letter to Obama is below:*

[Coastal governors' letter to Obama on 5-year OCS plan](#)

For the full article, visit <http://fuelfix.com/blog/2012/08/09/coastal-governors-decry-limited-role-in-offshore-drilling-plan/>

# THE WALL STREET JOURNAL.

April 30, 2012

## Virginia Could Be an Energy Power—If Washington Would Let It

*In 2010, my state was poised to become the first on the East Coast permitted to produce oil and natural gas offshore. Then politics intervened.*

By BOB MCDONNELL

When President Obama endorsed an "all of the above" energy strategy in this year's State of the Union address, he gave the impression that he was finally adopting an aggressive policy. Unfortunately, the president's words are worlds apart from his actions—especially when it comes to developing our nation's abundant offshore oil and natural gas resources.

To see that disconnect in action, look at the Commonwealth of Virginia. In 2010, Virginia was poised to become the first state on the East Coast permitted to produce oil and natural gas offshore. In 2007, the federal government had designated certain offshore areas as available for oil and gas leases, raising the prospect of thousands of new jobs and significant new revenues for the state and local governments.

However, our opportunity was extinguished and the lease sale canceled after November, when the Obama administration abruptly dropped Virginia from the government's latest leasing plan, with little explanation and even less regard for the strong bipartisan and public support for the offshore initiative. At a moment when we should be looking for every opportunity to safely produce more domestic energy, the Obama administration unilaterally declared a seven-year timeout.

Three months later, the president announced federal approval of leasing plans for wind-power development off the coast of Virginia. This was a welcome development; we are strong supporters of doing all we can to maximize our offshore wind opportunities in the Commonwealth. Taken together, however, the two decisions reflect a discordant approach to energy policy. There is no reason, other than political calculation, that we couldn't have been home to the East Coast's first offshore oil and natural gas development as well.

Virginia is not alone in playing witness to the president's apparent disdain for domestic oil and natural gas production. The administration's perpetual slow-walk approach is especially noticeable in the Gulf of Mexico and off Alaska's coast.

In the Gulf, delays in permitting have resulted in dramatically reduced investments. The Energy Information Administration projects that Gulf production will decrease by over 200,000 barrels per day in 2012 compared with levels before the president assumed office. Some studies,

including one published last year by the energy research firm IHS CERA, have indicated that closing this gap could provide between 110,000 to 230,000 jobs across a multitude of sectors.

Meanwhile, in Alaska's Beaufort and Chukchi Seas, Shell, for instance, has been forced to spend \$4 billion over five years on plan-development costs and other expenses of dealing with repeated permitting delays. These were not the result of deficiencies in proposed operational plans. They were caused by challenges and legal actions by environmental groups to delay or invalidate the proposed permits—actions that the current administration could review but did little to oppose.

It shouldn't take a herculean effort to approve a project that the host state strongly supports and that could generate 55,000 new jobs per year for 50 years, along with \$145 billion in new payroll and \$193 billion in additional government revenues over the same period.

If an "all of the above" energy strategy—one that includes offshore oil and natural gas development—is what the administration seeks, there is an organization willing to work with the president. The Outer Continental Shelf Governors Coalition is comprised of the governors of seven coastal states, including Virginia, Texas and Alaska.

In a letter to the president last month, the coalition outlined a number of steps that can be taken immediately to incorporate offshore energy production into a comprehensive national energy policy. They include increasing the speed and predictability of permitting and expanding access to new reserves. The president can implement all of these recommendations with the stroke of a pen. To date, he has not acknowledged our outreach.

During my term as governor, we have focused on making Virginia the energy capital of the East Coast. In just two years our state has taken aggressive actions to harness the power of offshore wind and promote greater utilization of solar energy. Had the president not stopped Virginia's offshore oil and gas efforts, a portion of the revenue from those efforts would have gone—under a law passed during my term of office—to renewable energy research.

We remain committed to developing Virginia's offshore oil and gas. Energy is the lifeblood of our nation's economic growth. More energy means more jobs and we need to use all of our domestic energy resources.

*Mr. McDonnell is governor of Virginia and chairman of the Republican Governors Association.*

For the full article, visit

[http://online.wsj.com/article/SB10001424052702303592404577364330063107046.html?mod=WSJ\\_article\\_comments#articleTabs%3Darticle](http://online.wsj.com/article/SB10001424052702303592404577364330063107046.html?mod=WSJ_article_comments#articleTabs%3Darticle).

The Honorable Bobby Jindal, Governor of Louisiana (Chair)  
The Honorable Sean Parnell, Governor of Alaska  
The Honorable Rick Perry, Governor of Texas  
The Honorable Phil Bryant, Governor of Mississippi  
The Honorable Robert Bentley, Governor of Alabama  
The Honorable Nikki Haley, Governor of South Carolina  
The Honorable Robert McDonnell, Governor of the Commonwealth of Virginia



March 13, 2012

President Barack Obama  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Mr. President:

On behalf of all of the Governors participating in the Outer Continental Shelf (OCS) Governors Coalition, we are writing to inform you of the status of our coalition and to express some concerns we have regarding the status of offshore energy development.

In May 2011, the Governors of Alaska, Louisiana, Mississippi, Texas and Virginia formed the OCS Governors Coalition with the goal of better understanding the promise and potential of offshore energy development. Since its inception, the Governors of Alabama and South Carolina have joined the Coalition.

Specifically, the mission of the Coalition is to improve the potential role of offshore energy production in a comprehensive national energy policy. In addition, the Coalition seeks improved communication with federal officials on offshore resource development and improved overall management and stewardship of coastal resources. We believe these resources could play an important role in job creation, increasing economic activity, mitigating national, state and local government deficits, reducing our foreign trade deficit and putting America on a path to energy independence.

Similar to your recent endorsement of an "all-of-the-above" energy policy, our Coalition embraces the understanding that the United States should develop all of our energy resources – both traditional and renewable sources – to provide our nation with a stable, secure supply of affordable American energy. The soaring cost of fuel further underscores how imperative a comprehensive domestic energy policy is for American families and businesses, particularly at a time of economic recovery.

As we begin a New Year, the Coalition has identified four priorities for 2012 and would like to begin a better dialogue with your Administration in order to address these concerns.

First, the Coalition recognizes that the pace and level of permitting for offshore exploration and production in the Gulf of Mexico and off Alaska must accelerate. We appreciate the safety and regulatory measures implemented by industry and regulators following the *Deepwater Horizon* tragedy in April 2010. Since the incident, delays in permitting, a lack of new permits issued and, in some cases, overly burdensome permit conditions have resulted in dramatically lower investment in U.S. offshore energy – both in comparison to historic levels and to current global norms. While some progress has been made to decrease the average wait time for approvals, we would urge stronger, swifter action. In order to resolve these delays and put our states back to work, the Administration must examine ways to streamline the permitting process and to ensure operators receive permits in a predictable and sustainable way that do not impose onerous, arbitrary conditions that may limit the economic viability of OCS development. This is critical to allow companies to plan their activities and make investment decisions.

Second, the Coalition urges the Administration to expand access to new offshore areas for traditional and renewable energy development. Principally, we remain disappointed by the Administration's failure to include new leasing areas in the Proposed Draft Five-Year Plan for Oil and Gas Leasing for 2012-2017. Despite strong bipartisan support from Virginia, the Administration did not reinstate a lease sale off Virginia. Areas of the Mid- and South-Atlantic and the Eastern Gulf of Mexico contain abundant reserves of oil and natural gas. But with the decision to exclude these areas from consideration where supported by adjacent states, exploration of these frontier areas will not proceed until at least 2018. We urge the Administration to consider more thoroughly the wishes of the affected states when considering offshore leasing plans.

Meanwhile, the Coalition is pleased to see progress on leasing for offshore wind development, including off Virginia's coasts. Other members in the Coalition look forward to similarly exploring the opportunities for offshore wind and tidal energy, and we would appreciate similar cooperation with the Administration on these potential initiatives in the future.

However, we do have concerns that the National Ocean Council (NOC) and its proposed coastal and marine spatial planning will have unintended consequences for all types of energy development, including offshore wind leasing. Before the Council proceeds with its planning program, we urge the Administration to allow for a better understanding of the bureaucratic hurdles that will be erected through this process and for our coalition states to play a more substantial role in NOC recommendations.

Third, the Coalition believes all states that host OCS development off its shores should participate in revenue-sharing associated with offshore energy production. Revenue-sharing provides states with resources to fund coastal restoration and conservation, helping to protect and preserve their coastlines. As an example, Governor Jindal recently released the Louisiana Comprehensive Master Plan for a Sustainable Coast. Funding from future OCS development received by Louisiana through the Gulf of Mexico Energy Security Act of 2006 is critical to protecting citizens from hurricanes and saving Louisiana's coast. As federal and state governments examine opportunities for expanded energy development, we hope the Administration supports efforts to extend revenue-sharing.

Finally, the Coalition seeks updated evaluations on OCS resources. In order to make sound decisions about OCS development, policymakers need current assessments of U.S. offshore energy reserves. Due to advances in technology, the Department of the Interior's estimates for OCS reserves has increased dramatically over the past decade. We believe expanded assessment of offshore resources – particularly in those areas not currently available for leasing – will allow the federal government and the states to reach more informed policies on the role of the OCS in a comprehensive national energy policy. As you know, the National Petroleum Council (NPC) report "Prudent Development" highlighted the vast oil and natural gas resources in the United States, including the OCS, and described how these resources can be developed safely without harming the environment.

The Coalition seeks to establish mechanisms for consistent dialogue with the Administration on these vital issues, and ways for states to have additional input into these determinations. In addition to improving communication via this Coalition, we would recommend that your Administration reestablish the OCS Policy Committee within the Department of the Interior. The previous Committee, whose charter expired in 2010, allowed participation from all coastal state governors, as well as several federal agencies, the business community, the environmental community and other local constituencies. This type of inclusive, consistent communication will help drive a sound OCS policy.

Improving our collective understanding of domestic offshore energy prospects and finding solutions that benefit all Americans through reduced dependence on overseas energy sources, increased domestic

energy production, decreased foreign trade deficit and more domestic employment opportunities will help to ensure a bright future for generations of Americans.

We appreciate your attention to these matters, and the Coalition looks forward to working with your Administration more closely to advance these objectives.

Sincerely,



Governor Bobby Jindal  
State of Louisiana



Governor Sean Parnell  
State of Alaska



Governor Nikki R. Haley  
State of South Carolina



Governor Robert Bentley  
State of Alabama



Governor Robert McDonnell  
State of Virginia



Governor Rick Perry  
State of Texas



Governor Phil Bryant  
State of Mississippi

Cc: Secretary of the Interior Kenneth Salazar  
Bureau of Safety and Environmental Enforcement Director James Watson  
Bureau of Ocean Energy Management Director Tommy Beaudreau  
National Oceanic and Atmospheric Administration Director Jane Lubchenco



OCS Governors Coalition  
Meeting in Washington, DC  
February 24, 2012

*Meeting Minutes*

- Opening of the meeting; Garret Graves, Louisiana:
  - Review of the objective of the Coalition;
  - Discussion on how energy policy is no longer a federal issue only, but the states now have significant influence on the direction of our nation's energy policy;
  - The rising price of gasoline and the impact to the consumer further amplify the need for the states to play a more active role in energy policy.
- Review of the Membership; David Holt, Consumer Energy Alliance:
  - The Coalition is discussing membership with Georgia, Maine and Florida. The likelihood of North Carolina joining the Coalition is slim given that Governor Perdue has chosen not to seek reelection. Puerto Rico has requested to be a part of the Coalition as an observer. The Coalition needs to determine protocol on such a matter before moving forward with Puerto Rico's request for observer status.
- Update from the States:
  - Louisiana: Garret Graves:
    - The State of Louisiana through the Gulf Economic Survival Team continues to meet with the Department of the Interior to discuss the status of permitting in the Gulf of Mexico.
    - Last year, the average wait time for a permit was 250 days. In December, the average wait time was 100 days, but with the permits in January 2012, the wait time is rising again.
  - Alabama: Cooper Shattuck:
    - Governor Bentley did comment on the 2012-2017 Five Year Plan. In his comments, the Governor highlighted the need for current data on OCS resources.
  - Mississippi: Kirk Sims:
    - Governor Bryant, while new to the governorship, has already identified energy as one of the two main drivers for economic growth in the State of Mississippi.
  - Texas: Emily Domenech:
    - Governor Perry fully embraces the "all-of-the-above" energy mantra, and, therefore, supports increased domestic energy production, both traditional and renewable.
  - Alaska: Kip Knudson:
    - Exploration and production of the Chukchi and Beaufort Seas in summer 2012 must still overcome a few hurdles before proceeding. First, Shell's Exploration

- Plan has been curtailed by one-third of the requested season. Second, the National Marine Fisheries Service has issued a draft Environmental Impact Statement on the Effects of Oil & Gas Development in the Arctic that does not include any alternatives that would permit oil and gas development at sustainable levels. NMFS does not appear willing to amend its draft or add alternatives.
    - While summer 2012 drilling is likely to proceed, 2013 remains highly uncertain.
    - Many Alaskans who support offshore development have “commenter fatigue” given the numerous public comment periods in which Alaskans must support OCS development.
  - Virginia: Doug Domenech
    - Governor McDonnell responded to the 2012-2017 Draft Five-Year Plan expressing disappointment that Lease Sale 220 was not reinstated in the plan. The Administration has stated that a lease sale off Virginia could not proceed due to the presence of military operations and a lack of infrastructure. However, these concerns were not cited prior to the Macondo incident when the lease sale was first issued.
    - A Programmatic Environmental Impact Statement has been issued for seismic surveying in the Atlantic. The last data collected on OCS resources in the Atlantic is thirty-years old; new data could influence the decision to proceed with a lease sale.
- OCS Legislation:
  - David Holt: While several positive bills have been passed in the House, no one has allusions that any of these bills – or any other legislation – will pass this Congress. However, continued messaging on the importance of OCS development is helpful to place pressure on the Administration.
- Five-Year Plan Overview:
  - The Administration has stated that it is opening 75% of offshore resources to leasing; however, many in the Coalition would like to counter this argument highlighting the slowdown in the Gulf, difficulties in Alaska, and the denial of a lease sale off Virginia.
- Letter to President Obama:
  - The letter outlines the four main objectives of the Coalition in 2012.
  - Suggested path forward: All Governors’ staff should forward the autopen to Chip Kline in Louisiana in order to finalize this letter prior to the Gulf Coast Energy Summit on March 12. Once the letter is finalized, an op-ed along the lines of the letter will be drafted for signature by the Governors. The op-ed would then be submitted to a major national publication.
  - Suggested Edits to the Letter:
    - Direct hook to the rising cost of energy and the President’s endorsement of an “all-of-the-above” energy policy;
    - Add stronger statement about support for offshore wind and wave energy;
    - Recommendation to resurrect the OCS Policy Committee; and
    - Edits to the paragraph regarding the pace of permitting.
- Review of One-Pagers on Four OCSGC Objectives:
  - Pace of Permitting and Plan Approvals: Update information on a regular basis;



- Revenue-Sharing: The CBO scored potential revenues from offshore development, which could serve as a basis for calculating potential revenues for those states not included in GOMESA;
- All One-Pagers: Revise the one-pagers to be “digestible” by media outlets. In the current form, these documents serve as informational sheets for policy offices.
- Other Items:
  - Next Face to Face Meeting: The National Governors Association will take place in July in Williamsburg, VA.
    - OCSGC will investigate potential venues, dates, speakers, etc.
    - Mr. Domenech has recommended holding an OCS Safety Briefing similar to the one CEA hosted in Richmond in July 2011.
    - Discussion on the potential to include a speaker from the Administration (e.g. Secretary Salazar).
  - The OCSGC should hold a monthly 30-minute call. Potential times will be circulated shortly.
  - Garret Graves will look to reach out to each current and prospective member to hold a one-on-one discussion about 2012 objectives.
  - Suggestion to develop a white paper that details potential areas where a lease sale can occur now (i.e. all environmental impact statements, surveying, etc. has been completed).

#### **Meeting Attendance:**

**Alabama:** Mr. Cooper Shattuck

Mr. Nick Tew

**Alaska:** Mr. Kip Knudson

Ms. Cindy Sims

**Louisiana:** Mr. Garret Graves

Mr. Chip Kline (on the phone)

**Mississippi:** Mr. Kirk Sims

Mr. Chris Champion

**Texas:** Ms. Emily Domenech

**Virginia:** Secretary Doug Domenech

#### ***Volunteer Staff with OCSGC:***

**Consumer Energy Alliance:** Mr. David Holt

Ms. Natalie Joubert



## BYLAWS OF THE OUTER CONTINENTAL SHELF GOVERNORS COALITION

### ARTICLE I

#### MISSION

- 1.1 Intent. The intent of these bylaws is to provide for clear and orderly organization of the Outer Continental Shelf Governors Coalition (hereinafter referred to as the "Coalition").
- 1.2 Purpose. The Coalition will be guided by four core principles.
  - 1.2.1 Improved communication between federal and state officials on OCS issues.
  - 1.2.2 Improved understanding of potential resources and opportunities adjacent to the various coastal states.
  - 1.2.3 Improved understanding of the impact those resources could have on local, state and federal revenues.
  - 1.2.4 Improved management and stewardship of coastal resources related to coastal and ocean activities.

### ARTICLE II

#### LEADERSHIP

- 2.1 Chairmanship Eligibility. Any current member of the Coalition in good standing who has at least two years remaining in his or her term as governor of a member state may be elected to serve as Chairman.
- 2.2 Chairmanship Designation. The Chair of the Coalition will be elected by a consensus vote by all voting members of the Coalition.
- 2.3 Chairmanship Term. The Chairman shall serve a two-year term. If he or she is unable to complete the term, a special election for a new Chairman will be held within 30-calendar days of a written resignation from the Chairman.
- 2.4 Responsibilities of Chairman: The duties of the Chairman shall include the following:

- 2.4.1 Representation of the Coalition at designated meetings, in official communications and in any contracts that the Coalition pursues.
- 2.4.2 Supervision or delegation to appropriate staff of all day-to-day management activities of the Coalition.
- 2.4.3 Delegation of other powers to other Members states as necessary.

### ARTICLE III

#### MEMBERSHIP

- 3.1 Membership Eligibility. Any governor of a U.S. state or chief executives of a recognized U.S. territory whose state or territory is bordered or surrounded by a saltwater body of water is eligible to join the Coalition.
- 3.2 Membership Finalization. Each governor must confirm his or her intent to join the Coalition by sending the Chairman a letter accepting membership. The Chairman will then affirm the governor's accession to the group within 30 calendar days.
- 3.3 Membership Voting Rights. Each member in good standing is entitled to one vote.
- 3.4 Governor Designee. A member is able to designate one or more persons from his or her staff to participate and manage the governor's membership in the Coalition. The member must identify these staff to the Chairman.
- 3.5 Membership Responsibilities. To remain a member in good standing, a member and/or his or her staff must participate in a majority of announced meetings. If a member fails to participate in a majority of meetings within the calendar year, the Chairman must give the member a notice of his violation and determine whether probation of voting rights is appropriate.
- 3.6 Membership Withdrawal. If a governor determines that he or she no longer wishes to participate in the Coalition, he may resign by letter to the Chairman. The Chairman must acknowledge acceptance of the resignation within 30 calendar days.

### ARTICLE IV

#### MEETINGS

- 4.1 Annual Meetings. The governors and their designees will meet in person at a location of the Chairman's choosing at least annually.
- 4.2 Regular Meetings. The designees of the coalition will hold a conference call monthly, unless an annual meeting or special circumstance prohibits a regular meeting. These exceptions will be at the discretion of the Chairman.

4.3 Meeting Notice. The Chairman shall give notice to all members and designees of a meeting by electronic mail no less than one week prior to the meeting.

4.4 Voting. During a meeting, the Chairman may call a vote if a quorum of members is present.

## ARTICLE V

### FINANCES

5.1 Dues. Each member must authorize \$1,000 in expenditures annually for his or her participation in the Coalition.

5.2 Expenditures. The Chairman may utilize dues to pay for annual meetings, website maintenance, and other needs as determined by the Chairman. If a single expense exceeds \$500, the Chairman must seek approval by a majority vote of the Coalition.

## ARTICLE VI

### AMENDMENTS

The bylaws may be altered, amended or repealed or new bylaws may be adopted only by a three-quarters (3/4) vote of the membership unless otherwise stipulated herein.

## ARTICLE VII

### PARTICIPATION OF NON-VOTING MEMBERS OR ENTITIES

The Coalition may permit non-voting entities, such as prospective members, non-governmental organizations, and others, to participate in coalition functions at the discretion of the Chairman. If the relationship is to exceed 30 calendar days, the entity must enter into a Memorandum of Understanding that stipulates terms of the relationship. The MOU must be approved by the Chairman.



## **OCS Governors Website – Draft Policy Positions for OCS Governors Website**

### **POLICY: "OCS 101"**

#### ***What is the OCS?***

OCS stands for "Outer Continental Shelf." According to the Outer Continental Shelf Lands Act (signed into law in 1953 and amended in 2000), the U.S. OCS includes "all submerged lands lying seaward and outside of the area of lands beneath navigable waters...of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction."

The OCS contains significant reserves of oil and natural gas. The federal Bureau of Ocean Energy Management, which analyzes the potential resource base in the OCS, estimated in 2011 a mean of **88.6 billion barrels of undiscovered technically recoverable oil and a mean of 398.4 trillion cubic feet of undiscovered technically recoverable natural gas** in the federal Outer Continental Shelf of the United States.

#### ***What is the purpose of regulating the OCS?***

As a public resource, the federal government has a responsibility to develop mineral resources from the OCS in a manner that balances the energy and economic needs of the country with environmental concerns. The OCS Lands Act determined that the OCS is "a vital natural resource reserve held by the Federal Government for the public, which should be made available for expeditious and orderly development, subject to environmental safeguards, in a manner which is consistent with the maintenance of competition and other national needs."

#### ***Which federal agency regulates the OCS?***

The Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement are primarily responsible for OCS management – both for mineral exploration and development and renewable energy development. Both bureaus are part of the U.S. Department of the Interior.

Other federal agencies also have a role in regulating aspects associated with energy development on the OCS, including the National Oceanic and Atmospheric Administration, the Environmental Protection Agency, and the Office of Natural Resources Revenue.

#### ***How does the government manage OCS oil & natural gas development?***

The Secretary of the Interior is responsible for developing and executing a leasing plan. The Five Year Outer Continental Shelf Oil and Gas Leasing Plan provides a schedule of oil and gas leases, including the

Policy Material for Website  
Page 1 of 7

timing, size, and location of proposed leases, over a period of five years. Development of the plan is typically a two-year process that includes scoping of viable leasing areas and evaluation of environmental concerns. There are at least four opportunities for public comment during the process. Once the plan is approved, the Bureau of Ocean Energy Management oversees the execution of the lease sales.

The federal government organizes the OCS into four “planning areas:” Alaska, Atlantic, Gulf of Mexico, and Pacific.

#### ***What about offshore renewable energy development?***

The Bureau of Ocean Energy Management also oversees development of offshore renewable energy (e.g. wind, wave, current and other technologies). In 2009, the U.S. Department of the Interior completed the Final Renewable Energy Framework, which governs how the federal government grants leases, easements, and rights-of-way for renewable energy. While much of the energy generated offshore does not derive from the OCS, some technologies, particularly many offshore wind platforms, must be harnessed to the seabed.

#### ***Do coastal governments have a role in OCS development?***

Yes. As stated in the OCS Lands Act, “since exploration, development and production of the minerals of the outer Continental Shelf will have significant impacts on coastal and non-coastal areas of the coastal States, and on other affected States...such States, and through such States, affected local governments, are entitled to an opportunity to participate, to the extent consistent with the national interest, in the policy and planning decisions made by the Federal Government relating to exploration for, and development and production of, minerals of the outer Continental Shelf.”

In regard to renewable energy, as provided in the Final Renewable Energy Framework, the federal government “will provide coordination and consultation with the Governors of any State or the executive of any local government or Indian Tribe that may be affected by a lease, easement, or ROW [right of way].” Furthermore, since offshore renewable energy development is a fairly new practice, the federal government also provides an opportunity for state and local officials to participate in establishing a task force or joint agreement that would seek to clarify state and federal responsibilities for management of offshore renewable energy projects.

#### ***Are government revenues generated from the OCS?***

Yes. The federal government collects revenues from the production of oil and natural gas on the OCS through bonus bids, royalties and rents from lessees. A bonus bid is a cash bid paid to the U.S. government by an operator for the right to explore an offshore lease for oil and natural gas. If oil or natural gas is discovered, the lessee makes a royalty payment in money or in-kind to the federal government for a stated share of production based on the value of the oil and natural gas produced. Finally, rents are paid by the lessee annually to retain the right to develop the resources in the area.

Since the level of lease sales and production varies, the amount of revenue generated varies year to year.

Accounting Year	Revenues Reported from OCS Development
2012	\$6,862,760,911.14
2011	\$6,538,541,450.97
2010	\$5,254,161,316.02
2009	\$5,819,678,113.03
2008	\$18,044,630,413.54
2007	\$7,019,308,639.96

***Who shares in these revenues?***

The U.S. Department of the Treasury distributes about half of the revenues generated from all mineral development in various proportions to the states, the Historic Preservation Fund, the Land & Water Conservation Fund, the Reclamation Fund, and Native American Tribes & Allottees. The other half remains at the U.S. Treasury, helping to fund federal programs.

For production near coasts, states directly share in the revenue generated. The Outer Continental Lands Act, Section 8(g) provides that 27 percent of all revenues from production within three miles seaward of the federal/state boundary be given to the states hosting production.

For the Gulf Coast region, revenue-sharing extends beyond the three-mile zone. In 2006, the U.S. Congress passed the Gulf of Mexico Energy Security Act (GOMESA) promulgating that the states of Texas, Louisiana, Mississippi and Alabama receive 37.5 percent of all royalties from new oil and natural gas development in federal waters adjacent to the respective state. The intent of GOMESA is to ensure states have adequate resources to fund coastal restoration and conservation initiatives and hurricane protection projects. Therefore, in addition to revenues distributed to the GOMESA states, 12.5 percent of revenues are allocated to the federal Land and Water Conservation Fund.

## **Policy Positions:**

The OCS Governors Coalition supports measures that thoughtfully expand OCS energy production. In order to meet this objective, the Coalition strongly believes that the following four policies can increase OCS development in a sustainable manner that better benefits coastal states.

- Accelerate the Pace of Permitting
- Expand Areas Available for Offshore Energy Development
- Expand Revenue-Sharing for Interested States
- Update OCS Resource Evaluation and Knowledge

### **Accelerate the Pace of Permitting:**

For operators on federal lands and waters, the average approval wait-time can be several times longer than the wait-time for a similar permit on private or state-owned land. Statistics show that the average approval time for a plan in the Gulf of Mexico was 110.6 days in July 2012, up from an historical average of 61 days. Even more so, operators off Alaska have experienced permit and plan approvals that can take years.

Conversely, state agencies generally take much less time to approve permits and plans for development on private and state lands. While the average wait-time varies from state to state, anecdotal evidence from states including North Dakota, Ohio and Colorado shows that permitting at the state level can take as little as 10 to 27 days.

In order to accelerate the pace of permitting and ensure lessees are afforded with timely permits and plan approvals, the offices charged with reviewing these applications – principally the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, the Environmental Protection Agency, and the National Oceanic and Atmospheric Administration – must receive adequate resources. Furthermore, regulators must provide operators with clear guidelines and expectations for applications to minimize or eliminate the time spent by regulators seeking additional information or clarification.

### **Expand Areas Available for Offshore Energy Development:**

According to the federal government, the U.S. OCS contains an estimated 88.6 billion barrels of undiscovered, technically recoverable oil and 398.4 trillion cubic feet of undiscovered, technically recoverable natural gas. Moreover, shallow areas in Atlantic, Eastern Gulf of Mexico and the Pacific have been identified as showing strong potential for offshore wind development.

Despite these vast resources, many of these areas remain closed to exploration and production due to federal policies that restrict access. According to experts, even after over 50 years of OCS exploration and development, 70% of total resources are yet to be discovered. Of this, more than half of this potential exists in areas of the Outer Continental Shelf outside the central and western Gulf of Mexico.

With the Department of the Interior Secretary Salazar's approval of the Proposed Final Five-Year Plan for Oil and Gas Leasing for 2012-2017 in August 2012, the Department has decided not to open access to any new frontiers for the next five years, including in the Mid- and South-Atlantic. The decision



foregoing lease sales in the Mid-Atlantic came despite strong bipartisan support from Virginia's Congressional and Commonwealth officials for the reinstatement of lease sales off Virginia. The exclusion of new frontier areas in this five-year plan means that exploration of these rich offshore areas will not proceed until at least 2018, if not later.

Areas of particular interest include:

- The Mid-Atlantic: Mean estimates of undiscovered technically recoverable resources (UTRR) resources are 1.4 billion barrels of oil and 19.36 trillion cubic feet of gas;
- The South-Atlantic: Mean estimates of UTRR are 500 million barrels of oil and 2 trillion cubic feet of gas;
- Eastern Gulf of Mexico (parts are under Congressional moratorium under 2022): Mean estimates of UTRR are 5 billion barrels of oil and 16 trillion cubic feet of gas.

Conversely, the OCS Governors Coalition is pleased with the progress in advancing offshore wind development in many areas. Existing leases off the Northeast coast and future leases in additional areas will play an important role in providing renewable electricity to coastal states and furthering energy diversity and security for coastal communities. The Coalition believes that evaluation and leasing has been successful thus far due in part to the level of coordination between the states and the Bureau of Ocean Energy Management on leasing and development decisions. Tasks forces developed and executed in states such as South Carolina and Virginia in many ways exhibit the type of communication and coordination that should occur with all offshore energy development decisions.

The OCS Governors Coalition strongly believes the federal government must expand opportunities for offshore energy development. Rising global demand for energy requires that the United States proactively pursue development of American resources – both traditional and renewable – to minimize dependence on foreign energy. Furthermore, states must have a more active voice in determining whether areas off their coasts are available for energy development.

#### **Expand Revenue-Sharing for Interested States**

Currently, offshore revenue-sharing as provided under the Gulf of Mexico Security Act only extends to the four states included in the original legislation. Alaska, Virginia, North Carolina and other states that are either developing offshore resources or are exploring the potential are not provided revenue-sharing under current law.

Revenue-sharing is provided for onshore energy development and in many energy-producing states it provides significant funds to state and local governments. The Coalition believes this disparity is unfair and does not properly account for the fact that states hosting offshore development bear costs associated with OCS development. As the chart below exemplifies, for states like Alaska, the disparity between onshore and offshore revenues can be significant:

## Federal Oil & Gas Royalty Payments to the State of Alaska

Federal Acreage	Share of Royalties to State of Alaska	Share of Bonus Bids and Rents to State of Alaska	Total Federal Disbursement to the State of Alaska in 2010
Arctic National Wildlife Refuge	Mineral Leasing Act of 1920 provides for 90% of royalties to the State; ANWR leasing legislation proposes 50%-50% split; final amount will be negotiated.	Bonus bids and rental sharing mirror the royalty sharing agreement.	\$0.00
Offshore (3-6 miles)	27%	No sharing of bonus bids and rents with the State.	\$5,800,000.00
Offshore (Beyond 6 miles)	No royalties to the State at this time.	No sharing of bonus bids and rents with the State.	\$0.00
National Petroleum Reserve-Alaska (NPR-A)	50%	50% of bonus bids and rents.	\$3,840,000.00
Other Onshore Federal Lands (Cook Inlet)	90%	90% of bonus bids and rents.	\$14,240,000.00

*\* The year 2010 was chosen as it is representative of most recent years' revenue disbursements.*

*\*\*In 2010, the State of Alaska and local governments in Alaska received a combined \$37 million pursuant to the federal Coastal Impact Assistance Program (CIAP). The program provided a portion of OCS revenues to select oil and gas producing states and local governments only from 2007-2010 to mitigate the impacts of such oil and gas activities.*

As the federal government examines opportunities for expanded energy development outside the western and central Gulf of Mexico, all U.S. states should be afforded the opportunity for revenue-sharing. This revenue can help state and local governments fund coastal conservation and hurricane protection as well as fund other critical state services. The Coalition strongly supports legislative efforts to expand revenue-sharing equitably to all offshore energy-producing states.

### Update OCS Resource Evaluation and Knowledge:

In deciding whether to pursue offshore development off their coasts, states must have an up-to-date assessment of the potential resource base off their coasts. With many offshore areas closed to exploration, accurate estimates of oil and gas reserves in many areas do not exist.

For areas outside of known, explored oil and natural gas fields, the federal government relies on various geophysical, geological, technical and economic studies to estimate potential reserves in frontier areas. Concurrent with advances in knowledge and technology, assessments of the amount of undiscovered

technically recoverable resources (UTRR) increases with each evaluation. As the chart from the [Bureau of Ocean Energy Management](#) demonstrates, in the last four evaluations over a 15-year span, estimates for UTRR of oil have nearly tripled.

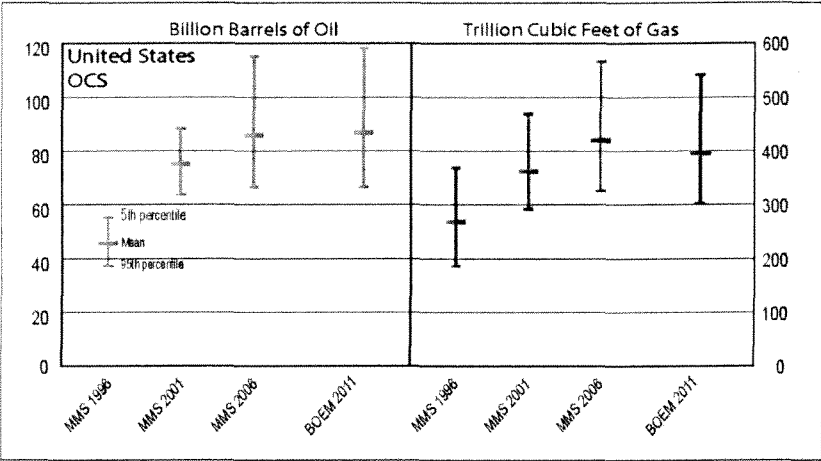


Figure 4 Comparison of UTRR from BOEMRE 1996, 2001, 2006 assessments.

The OCS Governors Coalition believes expanded evaluation of offshore areas – in particular those currently not open to oil and gas exploration and production – is necessary for policymakers to make informed decisions about the economic and environmental goals of offshore energy policy. Having current resource assessment information would also allow more effective communication between federal and state officials regarding resource potential and offshore energy policy.

To this effect, the OCS Governors Coalition supports funding the Bureau of Ocean Energy Management’s Resource Evaluation Program. For areas in the Alaska, Atlantic, and Pacific OCS planning regions where robust data does not exist, the Coalition also supports seismic testing and exploration in order to better understand the potential size and value of the resource base.

✶ **Haltiwanger, Katherine**

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**From:** Natalie Joubert <NJoubert@hbwresources.com>  
**Sent:** Monday, March 04, 2013 10:46 AM  
**To:** Chip Kline (LA); Chris Champion (MS); Cindy Sims (AK); David Holt CEA; Doug Domenech (VA); Elizabeth Bluemink (AK); Emily Domenech (TX); Garret Graves (LA); I'man Robinson (VA); Janie Mason (AK); Jeffrey Jones (AK); Jill Boxer (AL); Baker, Josh; Haltiwanger, Katherine; Kelly Kennedy (TX); Kirk Sims (MS); Mark Robbins (AK); Maureen Matsen (VA); Natalie Joubert; Nick Tew (AL); Randall Ruaro (AK); Sara Benhauser (VA); Shana Gooch (TX); Stefanie Moreland (AK); Tony Almeida (NC); Diaz, Ricky (ricky.diaz@nc.gov); Stirling, Bryan; Leighow, Sharon W (GOV) (sharon.leighow@alaska.gov) kip.knudson@alaska.gov; Butzlaff, Nathan B (GOV); Amy Dobson (AK)  
**Cc:**  
**Subject:** OCS Governors Meeting Minutes from February 22  
**Attachments:** Minutes from Feb 22, 2013 Mtg in DC.docx

Dear OCS Governors Representatives,

Thank you to all who attended the February 22<sup>nd</sup> meeting in Washington, DC. At the request of Governor Parnell's staff, I am forwarding draft meeting minutes from February 22<sup>nd</sup>. If you have any edits to these meeting minutes, please let me know.

Governor Parnell's staff will be in touch regarding action items agreed to during the meeting. Finally, for those not present at the meeting, I'd like to highlight the OCS Governors Coalition's new website, <http://ocsgovernors.org/>, which was launched in late February.

Sincerely,

Natalie

Natalie Joubert  
Consumer Energy Alliance  
1666 K Street, NW Suite 500  
Washington, DC 20006  
(202) 429-4931 (office)  
(202) [REDACTED] (mobile)



[ConsumerEnergyAlliance.org](http://ConsumerEnergyAlliance.org)



OCS Governors Coalition  
Meeting in Washington, DC  
February 22, 2013

***Meeting Minutes***

**Minutes from Closed Door Session with Governors:**

- Opening remarks from Governor Parnell:
  - o Governor was encouraged to see the letter to DOI Secretary Designate Jewell from Governors McDonnell, McCrory and Haley expressing a collective effort to work together on OCS issues.
  - o Governor would like to review each state's priorities and then focus on issues with revenue-sharing and permitting consistency and timing.
  
- Opening remarks from Governor Bryant:
  - o The Gulf operators understand well the consequences of delayed permitting following the temporary moratorium after *Deepwater Horizon*.
  - o Mississippi wants to better focus efforts on workforce development, particularly for safety officers, to ensure that the state is well prepared in case of a potential accident and prepared for expanded leasing opportunities.
  - o Mississippi is very supportive of lifting the \$500 million revenue-sharing cap, as previously proposed by Senator Landrieu.
  
- Opening Remarks from Governor McCrory:
  - o North Carolina is in the infancy stage of OCS development and will first need to assess the promise of the resources off its shores.
  - o McCrory would like guidance from other states in the Coalition as his state evaluates the promise of economic benefits including revenue-sharing and the environmental issues associated with development.
  
- Opening Remarks from Secretary Domenech and Deputy Secretary Matsen:
  - o Virginia supports offshore oil & natural gas as well as offshore wind and is eager to move forward with both programs.
  - o In March 2010, Virginia was awarded the first lease sale (Lease Sale 220) off its coasts, but the sale was canceled by President Obama in December 2010 following the *Deepwater Horizon* spill. The Commonwealth of Virginia has objected to this decision at every opportunity and has been coordinating with its congressional delegation on legislation that would reinstate Lease Sale 220.
  - o The BOEM is currently executing a Programmatic Environmental Impact Statement for future seismic research in the Atlantic, and a decision is expected by the end of 2013.

- On wind, Virginia expects a wind lease sale by 2<sup>nd</sup> Quarter 2013. In supporting wind, Virginia has been able to leverage that discussion to advocate for equal treatment on offshore oil and natural gas leasing.
- Discussion of Alaska Challenges:
  - Parnell: Shell has spent over \$5 billion since 2006 for the opportunity to explore and develop resources in the Beaufort and Chukchi Seas, but permitting and litigation delays have prevented the company from moving forward. The DOI is on the verge of a decision for Shell's 2013 season. [Note: Shell decided to postpone its 2013 season on February 27, 2013.].
    - The pace of permitting is a huge issue for Governor Parnell and with a new Secretary at the DOI, Parnell is hopeful that there can be better relations and the Coalition can engage in a constructive dialogue, as stated in its core mission.
- Discussion of Atlantic Challenges:
  - McCrory: North Carolina needs pragmatic communications with industry and the federal government on the reality of OCS development off North Carolina. From industry, market-based information is necessary to communicate to the public.
  - Holt: During the Offshore Technology Conference in Houston on May 6, there is the potential to hold an industry roundtable with experts who can discuss with the governors the resource potential in the Atlantic and the technology advancements in OCS development post-*Deepwater Horizon*.
- Revenue-sharing:
  - Parnell: All in favor of committing to work together with Congress to advance revenue-sharing for all coastal states. All in favor. None opposed. Motion carries.
- Pace of Permitting:
  - Parnell: All in favor of committing to work together with the Administration to ensure a swifter permitting regime. All in favor. None opposed. Motion carries.
- Review of Website:
  - Joubert: Website includes information on the Coalition's mission, membership and contact information as well as an educational page on "OCS 101." The site, [ocsgovernors.org](http://ocsgovernors.org), is live and will be updated with the bylaws and additional policy information.
- Review of Bylaws:
  - Parnell: All in favor of adopting the draft bylaws without amendment for the Outer Continental Shelf Governors Coalition. All in favor. None opposed. Motion carries.
- Review of Next Meeting:
  - The next face-to-face meeting of the governors will be Monday, May 6, 2013 in Houston, TX at the Offshore Technology Conference. Consumer Energy Alliance is hosting a panel discussion for the governors. OTC draws over 80,000 attendees to the annual conference/trade show, in which offshore industry operators display and discuss the newest advances in offshore technology.
    - Governor Perry is confirmed to participate
    - Governor Parnell is planning to attend and Governor Bryant will try to attend.

- Closing Remarks by Governor Parnell:
  - o Governor Parnell will strive to give a collective voice to the OCS Governors Coalition.
  - o Governor Parnell would like to hold regional meetings with the governors, including the Houston event, and would like to hold meetings in Alaska and Virginia.
- Media Availability:
  - o Media participating: Andrew Restuccia: POLITICO; Michael Bastasch: Daily Caller News Foundation; Jim Snyder: Bloomberg; Ellen Gilmer: E&E News; and Zack Colman: The Hill newspaper.

### **Minutes from Staff Meeting:**

- Discussion on Interior Secretary Designate Sally Jewell. Decision by the staff to compose a letter to Ms. Jewell discussing the Coalition and some of its objectives. In the letter, it would be helpful to advise her to be responsive to the governors.
- Discussion on legislative efforts on revenue-sharing and reinstatement of Lease Sale 220. Agreement to compose a letter to all 16 senators representing the OCS Governors' states with a focus on revenue-sharing but also addressing other items of interest to the Coalition. Goal is to form a more collaborative relationship with the senators on these issues.
- Discussion on Virginia's ongoing struggles to convince the federal government and the public that it has the infrastructure capable of managing offshore activity. To this effect, the group discussed the potential to compile a report in early 2014 that highlights the technology advancements and best practices available to ensure safe OCS development in all regions.
- Discussion on National Ocean Policy. Virginia has its first Mid-Atlantic regional planning meeting in the near future and it would be helpful to have supportive voices participate. Governor Parnell will not directly engage with the National Ocean Council as he opposes the Council's proposal.
- Administrative review of website and bylaws. Bylaws to be finalized and posted on the website.
- Discussion on communications coordination. In the near future, each of the members' communications staff should hold a teleconference to discuss ways to better collaborate.

### **Meeting Attendance:**

<b>Alabama:</b>	Ms. Jill Boxler
<b>Alaska:</b>	The Honorable Sean Parnell
	Mr. Kip Knudson
	Ms. Sharon Leighow
	Ms. Amy Dobson
	Mr. Nathan Butzlaff
	Mr. Michael Nizich
<b>Mississippi:</b>	The Honorable Phil Bryant
	Mr. Kirk Sims

**North Carolina:** The Honorable Pat McCrory  
Mr. Thomas Stith  
Mr. Ricky Diaz

**South Carolina:** Mr. Bryan Stirling

**Texas:** Ms. Emily Domenech

**Virginia:** Secretary Doug Domenech  
Deputy Secretary Maureen Matsen

*Volunteer Staff with OCSGC:*

**Consumer Energy Alliance:** Mr. David Holt  
Ms. Natalie Joubert  
Mr. Michael Whatley



## Baker, Josh

---

**From:** Natalie Joubert <NJoubert@hbwresources.com>  
**Sent:** Thursday, March 07, 2013 6:05 PM  
**To:** Chip Kline (LA); Chris Champion (MS); Cindy Sims (AK); David Holt CEA; Doug Domenech (VA); Elizabeth Bluemink (AK); Emily Domenech (TX); Garret Graves (LA); I'man Robinson (VA); Janie Mason (AK); Jeffrey Jones (AK); Jill Boxer (AL); Baker, Josh; Haltiwanger, Katherine; Kelly Kennedy (TX); Kirk Sims (MS); Mark Robbins (AK); Maureen Matsen (VA); Natalie Joubert; Nick Tew (AL); Randall Ruaro (AK); Sara Benhauser (VA); Shana Gooch (TX); Stefanie Moreland (AK); Tony Almeida (NC); Diaz, Ricky (ricky.diaz@nc.gov); Stirling, Bryan; Leighow, Sharon W (GOV) (sharon.leighow@alaska.gov)  
**Cc:** kip.knudson@alaska.gov; Butzlaff, Nathan B (GOV); Amy Dobson (AK)  
**Subject:** OCS Governors - Sally Jewell Letter & Questions for Written Record  
**Attachments:** 03 06 13 Sally Jewell OCS Governor's Coalition Letter.pdf; 03 06 13 Wyden and Murkowski OCS Governors Coalition Letter (2).pdf

Dear OCS Governors Coalition Representatives,

Governor Parnell's staff has asked me to bring to your attention two items the Chairman circulated yesterday on behalf of the OCS Governors Coalition. As many of you will recall, at the February 22<sup>nd</sup> meeting the Coalition agreed to write a letter to U.S. Department of the Interior designate Sally Jewell prior to her confirmation hearing and to provide Senate staff questions to be used during the hearing. Even with short notice of the hearing, Governor Parnell was able to send the attached letter to Ms. Jewell before today's hearing in front of the Senate Energy & Natural Resources Committee. In addition, Governor Parnell has provided Chairman Wyden and Ranking Member Murkowski with a list of potential follow-up questions that the Senators could ask Ms. Jewell to respond to in the written record. Both items introduce the mission of the Coalition and focus on the two policy priorities – revenue-sharing and efficient regulatory regime – that the Coalition agreed to pursue at the February meeting.

The Coalition will be in touch regarding other action items agreed to in Washington, including efforts to reach out collectively to the 16 Senators representing the OCS Governors' states and the next OCS Governors Coalition meeting on May 6, 2013 in Houston, TX.

If you have any questions on the attached documents, please reach out to Kip Knudson or myself.

Thank you,

Natalie Joubert

Natalie Joubert  
Consumer Energy Alliance  
1666 K Street, NW Suite 500  
Washington, DC 20006  
(202) 429-4931 (office)  
(202) [REDACTED] (mobile)



[ConsumerEnergyAlliance.org](http://ConsumerEnergyAlliance.org)

**The Honorable Sean Parnell, Governor of Alaska (Chair)**  
**The Honorable Bobby Jindal, Governor of Louisiana**  
**The Honorable Rick Perry, Governor of Texas**  
**The Honorable Phil Bryant, Governor of Mississippi**  
**The Honorable Robert Bentley, Governor of Alabama**  
**The Honorable Nikki Haley, Governor of South Carolina**  
**The Honorable Robert McDonnell, Governor of Virginia**  
**The Honorable Pat McCrory, Governor of North Carolina**



March 6, 2013

Ms. Sally Jewell  
Interior Secretary Designate  
U.S. Department of the Interior  
1849 C Street, N.W.  
Washington, DC 20240

Dear Ms. Jewell,

On behalf of the Outer Continental Shelf (OCS) Governors Coalition, I congratulate you on the nomination to become the next Secretary of the Interior. As you move forward with the confirmation process, the Coalition looks forward to hearing your views on offshore energy development, particularly your understanding of how OCS development affects coastal states. More importantly, we encourage you to utilize the Coalition as a source of information and counsel and to consider us as partners in your decision making.

The Outer Continental Shelf Governors Coalition, formed in 2011, consists of eight coastal state governors who support policies that encourage an expansion of American energy, particularly U.S. offshore energy resources. The mission of the Coalition is to promote a more constructive dialogue among the coastal state governors and the federal government regarding the importance of offshore energy development to coastal states.

With a change in leadership at the Department of the Interior, the Coalition sees an opportunity to build a new, more positive dialogue with the Department on issues affecting the level and pace of offshore energy development. As we begin this journey together, we would first like to address some of the issues important to the Coalition.

At a recent meeting, the Coalition reaffirmed our belief that coastal states have an inherent stake in offshore energy development, including both traditional oil and natural gas and renewable tidal and wind resources. Coastal states not only benefit from the supply of safe, American energy, but also from the jobs, revenue, and other economic benefits that domestic energy production generates. Moreover, coastal states must ensure that any offshore activity proceeds in an environmentally safe and sustainable manner in order to protect coastlines and coastal communities.

As such, the Coalition strongly supports expansion of revenue sharing to all coastal states for energy produced off its shores. Revenue sharing provides states with resources to fund coastal restoration

Ms. Sally Jewel  
March 6, 2013  
Page 2

and conservation and fund other essential state services. Congress is currently evaluating legislation that could expand revenue sharing to coastal states outside of the Gulf of Mexico region. We strongly hope that you will support congressional efforts to create equitable revenue sharing for all coastal states.

Second, the Coalition believes that a more consistent, efficient permitting system for offshore operators will provide a more predictable investment climate for economic growth. We request a renewed focus in the Department of the Interior on timely, consistent decision-making regarding permitting.

Finally, the Coalition supports expanded access to new offshore areas for traditional and renewable energy development. Several members of our Coalition have long advocated for expanded leasing in the Eastern Gulf of Mexico, Mid- and South-Atlantic, and Alaska. While we are very pleased with the Administration's progression on Atlantic offshore wind development, similar momentum is needed in regards to offshore oil and natural gas. Expanding leasing opportunities now will encourage the private investment necessary to move forward with seismic surveying and additional infrastructure development and deployment.

Your leadership at the Department of the Interior will be critical to advancing America's energy revolution and promoting a sound regulatory environment for expanded, safe energy production. Your impressive business acumen and leadership qualities have prepared you to guide the Department through an era of new and exciting opportunities for the United States.

We look forward to working with you to advance America's energy security and economic future.

Best regards,

A handwritten signature in black ink, reading "Sean Parnell". The signature is fluid and cursive, with the first name "Sean" and last name "Parnell" clearly distinguishable.

Sean Parnell  
Governor of Alaska  
Chair, OCS Governors Coalition

cc: The Honorable Bobby Jindal, Governor of Louisiana  
The Honorable Rick Perry, Governor of Texas  
The Honorable Phil Bryant, Governor of Mississippi  
The Honorable Robert Bentley, Governor of Alabama  
The Honorable Nikki Haley, Governor of South Carolina  
The Honorable Robert McDonnell, Governor of Virginia  
The Honorable Pat McCrory, Governor of North Carolina  
The Honorable Dan Sullivan, Commissioner, Alaska Department of Natural Resources  
Kip Knudson, Director of Federal/State Relations, Office of the Governor

The Honorable Sean Parnell, Governor of Alaska (Chair)  
The Honorable Bobby Jindal, Governor of Louisiana  
The Honorable Rick Perry, Governor of Texas  
The Honorable Phil Bryant, Governor of Mississippi  
The Honorable Robert Bentley, Governor of Alabama  
The Honorable Nikki Haley, Governor of South Carolina  
The Honorable Robert McDonnell, Governor of Virginia  
The Honorable Pat McCrory, Governor of North Carolina



March 6, 2013

The Honorable Ron Wyden  
Chairman  
Committee on Energy and Natural Resources  
United States Senate  
304 Dirksen Senate Building  
Washington, DC 20510

The Honorable Lisa Murkowski  
Ranking Member  
Committee on Energy and Natural Resources  
United States Senate  
304 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Wyden and Senator Murkowski,

I am writing on behalf of the Outer Continental Shelf (OCS) Governors Coalition, which is a group of coastal state governors who joined together in May 2011 to promote a constructive dialogue on OCS energy resource planning and development amongst coastal state governors and federal policy makers. Currently, I serve as chair of the Coalition. On behalf of the Coalition, I respectfully request that you consider addressing the topics listed below with Interior Secretary Designate Sally Jewell during her confirmation hearing before your committee on March 7, 2013.

As you know, all federal decisions regarding energy exploration and production on the OCS must be made in consultation with affected states. However, in recent years, the federal government has taken significant actions affecting OCS energy development with little consultation with the states. For this reason, the governors have joined the Coalition to foster a more productive dialogue between the federal government and the coastal states on energy resource evaluation, sustainable resource development, and other OCS policy matters.

With the change in leadership at the Department of the Interior, the OCS Governors Coalition hopes to cultivate a substantive, ongoing dialogue with Ms. Jewell on the opportunities and challenges facing offshore energy development and the roles that coastal states play in the development and execution of federal OCS policy.

***Items of Interest for Discussion with Ms. Jewell:***

1. One of the core missions of the OCS Governors Coalition is to promote a constructive dialogue with federal policy makers on decisions affecting offshore development. Unfortunately, over the past few years, the governors have been concerned with the lack of communication between federal and state officials, particularly in regard to the development of offshore leasing plans.

Of note, President Obama canceled Lease Sale 220 off Virginia in December 2010, without sufficient consultation with the Commonwealth of Virginia. The bipartisan leadership in Virginia has clearly indicated multiple times that it supports a leasing program in the Atlantic, and Governor McDonnell has addressed the Administration's concerns about safety and spill containment infrastructure and coordination with military operations in the area.

Similarly, prior to release of the proposed Final Outer Continental Shelf Oil and Natural Gas Leasing Program for 2012-2017, the State of Alaska was not consulted on the Department of the Interior's decision to postpone lease sales off Alaska one year from the initial timeframe.

Understanding the multiple stakeholder conversations that go into planning a leasing program, can you discuss the legal and otherwise appropriate role for the input of state governments? What actions would you take to ensure sufficient and ongoing input from the states?

2. A second priority for the OCS Governors Coalition is the pace of permitting for OCS oil and natural gas operators. Following the temporary deepwater-drilling moratorium in 2010, operators experienced significant delays in plan and permitting approval. Even though operators in the Gulf of Mexico are starting to return to pre-Macondo operation levels, several concerns with the inefficient and inconsistent regulatory regime for offshore operators remain.

What measures can be taken by the Department of the Interior to ensure a more timely and consistent regulatory framework for all operators without sacrificing environmental safety?

3. In a recent meeting of the governors, we each agreed that revenue sharing of royalties generated from offshore leasing and energy production should be shared equally with all coastal states that produce energy – either traditional or renewable – off its shores. These revenues are critical for funding state coastal restoration and conservation efforts as well as other state programs. While Texas, Louisiana, Mississippi, and Alabama (all OCS Governor member states) benefit from revenue-sharing, Alaska and states along the Atlantic coast are not eligible for revenue sharing.

Do you believe there should be consistency on revenue sharing for all coastal states?

4. Three members of this Coalition – Virginia Governor McDonnell, North Carolina Governor McCrory, and South Carolina Governor Haley – corresponded with you recently regarding your stance on revising current leasing plans to permit a lease sale in the Atlantic. As you understand, each of these governors supports the opening of the Atlantic for oil and natural gas exploration. The Bureau of Ocean Energy Management is finalizing its evaluation of the impact of seismic activity in the Atlantic, a critical first step in assessing the resource base in the area. However, it is unlikely industry will move forward with these costly studies without the promise of a lease sale.

The Honorable Ron Wyden  
The Honorable Lisa Murkowski  
March 6, 2013  
Page 3

Can you please discuss your thoughts on reissuing a lease sale in the Atlantic now and including additional leasing opportunities in the Department's 2017-2022 leasing plan?

5. Ongoing budget constraints and cuts to the Department of the Interior's budget will undoubtedly affect the ability of federal regulators to develop and execute leasing plans, process permits and plans, and move forward on new programs for renewable offshore energy. At the same time, the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement are continuing to institute reform efforts following the restructuring of the Minerals Management Service. Parts of these efforts focus on improving the quality and number of regulators.

How would you mitigate the impact that budget cuts could have on the ability of the Department of the Interior to issue permits and execute environmental studies and leasing programs in a timely manner? Further, what measures can you institute, as a former business executive, to attract talented and experienced regulators?

Thank you for consideration of these important matters as you prepare for the March 7<sup>th</sup> hearing.

For general information on the Coalition and its members, please visit our website at <http://www.ocsgovernors.org/>. If you have any questions or if the OCS Governors Coalition can be of any further assistance, please contact Kip Knudson, my Director of State and Federal Relations, at 202-624-5858 or via email at [kip.knudson@alaska.gov](mailto:kip.knudson@alaska.gov).

Best regards,



Sean Parnell  
Governor of Alaska  
Chair, OCS Governors Coalition

cc: The Honorable Bobby Jindal, Governor of Louisiana  
The Honorable Rick Perry, Governor of Texas  
The Honorable Phil Bryant, Governor of Mississippi  
The Honorable Robert Bentley, Governor of Alabama  
The Honorable Nikki Haley, Governor of South Carolina  
The Honorable Robert McDonnell, Governor of Virginia  
The Honorable Pat McCrory, Governor of North Carolina  
The Honorable Dan Sullivan, Commissioner, Alaska Department of Natural Resources  
Kip Knudson, Director of Federal/State Relations, Office of the Governor

## Soura, Christian

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**From:** Soura, Christian  
**Sent:** Tuesday, March 12, 2013 3:58 PM  
**To:** 'Almeida, Tony'  
**Subject:** RE: Invitation to OCS Governors Coalition - May 6, 2013 in Houston, TX

I asked – a final decision hasn't been made yet, but as of now, she's unlikely to attend. Thanks.

CLS

**Christian L. Soura**  
Deputy Chief of Staff

(803) 543-0792  
[ChristianSoura@gov.sc.gov](mailto:ChristianSoura@gov.sc.gov)

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**From:** Almeida, Tony [<mailto:Tony.Almeida@nc.gov>]  
**Sent:** Tuesday, March 12, 2013 11:41 AM  
**To:** Soura, Christian  
**Subject:** Fwd: Invitation to OCS Governors Coalition - May 6, 2013 in Houston, TX

Christian - hope you are well. Will Gov Haley be attending this OCS meeting in Houston in May? Thanks!

Tony Almeida  
Sr Advisor to Gov McCrory  
For Jobs and the Economy  
Sent from my iPhone

Begin forwarded message:

**From:** "Stith, Thomas A" <[Thomas.Stith@nc.gov](mailto:Thomas.Stith@nc.gov)>  
**To:** "Almeida, Tony" <[Tony.Almeida@nc.gov](mailto:Tony.Almeida@nc.gov)>  
**Subject:** FW: Invitation to OCS Governors Coalition - May 6, 2013 in Houston, TX

Tony,

FYI. Need to know if you think it is worth attending. Governor or you?

Thomas

Thomas Stith  
Chief of Staff to Governor Pat McCrory  
The NC State Capitol

Office: 919.715.2766  
Fax: 919.733.3715

From: Natalie Joubert [<mailto:NJoubert@hbwresources.com>]

Sent: Tuesday, March 12, 2013 11:03 AM  
To: McCullen, Meredith; Stith, Thomas A  
Cc: Diaz, Ricky; [kip.knudson@alaska.gov](mailto:kip.knudson@alaska.gov); Butzlaff, Nathan B (GOV); David Holt CEA  
Subject: Invitation to OCS Governors Coalition - May 6, 2013 in Houston, TX

Dear Governor McCrory,

On behalf of the Outer Continental Shelf (OCS) Governors Coalition and Consumer Energy Alliance, I would like to invite you to the next face-to-face meeting of the Coalition on Monday, May 6, 2013 at 2pm CST in Houston, Texas. The OCS Governors Coalition will be participating in a panel discussion sponsored by Consumer Energy Alliance at the Offshore Technology Conference. Please find a formal invitation from Governor Parnell, Chair of the Coalition, attached.

As Governor McCrory and his staff may recall from the February 22nd OCS Governors Coalition meeting in Washington, DC, Governor Parnell would like to bring the governors together in Houston to discuss the benefits of better federal-state communication on OCS policy issues. Governor Parnell (AK) and Governor Perry (TX) have confirmed their participation, and we expect other governors to confirm their participation in the near future.

The Offshore Technology Conference is an annual event in Houston, TX where over 80,000 participants from across the globe come to learn about the latest advancements in offshore technology and safety. The OCS Governors Coalition announced its formation at the Offshore Technology Conference in 2011.

If you have any questions about the event, please reach out to David Holt (President, Consumer Energy Alliance) or myself. Thank you for consideration of this request, and we look forward to following up with your offices in the near future.

Sincerely,

Natalie Joubert

Natalie Joubert  
Vice President, Policy  
Consumer Energy Alliance  
1666 K Street, NW Suite 500  
Washington, DC 20006  
(202) 429-4931 (office)  
(202) [REDACTED] (mobile)

[Description: CEA-LOGO-APPROVED-FINAL 2009.jpg]

[ConsumerEnergyAlliance.org](http://consumerenergyalliance.org)<<http://consumerenergyalliance.org/>>

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<image001.jpg>



<03 12 13 Gov McCrory OCS Invite Ltr.pdf>

## Baker, Josh

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**From:** Natalie Joubert <NJoubert@hbwresources.com>  
**Sent:** Monday, March 18, 2013 6:40 PM  
**To:** Amy Dobson (AK); Chip Kline (LA); Chris Champion (MS); Cindy Sims (AK); David Holt CEA; Doug Domenech (VA); Elizabeth Bluemink (AK); Emily Domenech (TX); Garret Graves (LA); I'man Robinson (VA); Janie Mason (AK); Jeffrey Jones (AK); Jill Boxer (AL); Baker, Josh; Haltiwanger, Katherine; Kelly Kennedy (TX); Kip Knudson (AK); Kirk Sims (MS); Mark Robbins (AK); Maureen Matsen (VA); Nathan Butzlaff (nathan.butzlaff@alaska.gov); Nick Tew (AL); Randall Ruaro (AK); Sara Benhauser (VA); Shana Gooch (TX); Stefanie Moreland (AK); Tony Almeida (NC); thomas.stith@nc.gov; Michael Whatley  
**Subject:** Jewell Responds to ENR Ques from OCS Governors Coalition  
**Attachments:** Response to SENR QFRs Jewell final.docx

Dear OCS Governors Coalition Representatives,

As you may recall, earlier this month Governor Parnell, on behalf of the Coalition, sent a series of questions to Senators Wyden and Murkowski for possible inclusion in DOI Secretary Designate Sally Jewell's written record. Fortunately, Senator Murkowski did include all of the proposed questions (proposed questions accessible on the [OCS Gov website](#)), and Ms. Jewell's responses are included on the attached.

I'm including the full document since the Senate staff informed me it will not be posted on its website. In addition, some of you may find value in questions outside of the ones included below. For quick reference, the questions and responses on the OCS Governors' questions are on the following pages:

- OCS Gov Ques on "Affected States Participation" – Word Page 71 / Ques 69
- OCS Gov Ques on "Permitting" and "Atlantic Leasing" – Word Page 71 / Ques 70
- OCS Gov Ques on "Sequester Impacts" – Word Page 73 / Ques 71
- OCS Gov Ques on "Revenue-sharing" – Word Page 23 / Ques 22

Of note for this group, in response to how she would ensure sufficient and ongoing input from coastal states, Ms. Jewell responded that:

*"I strongly support transparent decision-making processes that include coastal states that have a strong interest in safe and responsible offshore energy development. If confirmed, I will work with the Bureau of Ocean Energy Management and others to ensure that the Department actively seeks and considers coastal states' interests as we conduct the balancing of the full range of criteria that underlies leasing decisions under the Outer Continental Shelf Lands Act."*

Governor Parnell's office is checking to see if Ms. Jewell has responded to the [letter](#) sent directly to her by the Coalition on March 6<sup>th</sup>. We'll circulate updates as they become available.

Sincerely,

Natalie

Natalie Joubert  
Consumer Energy Alliance  
1666 K Street, NW Suite 500  
Washington, DC 20006  
(202) 429-4931 (office)

(202) [REDACTED] (mobile)



[ConsumerEnergyAlliance.org](http://ConsumerEnergyAlliance.org)

Written Questions  
Jewell Confirmation Hearing  
Senate Energy and Natural Resources Committee  
March 7, 2013

**Questions from Chairman Wyden**

Klamath

**1. I have a strong interest in seeing the difficult water resource issues in the Klamath Basin resolved, and I know the Department of the Interior has been working on these issues.**

- **Will you, and the Department under your leadership, support us in our efforts in the Klamath Basin?**

Response: It is my understanding that the Klamath issue is long-standing and very complex, involving two states, several Indian tribes, and numerous interested parties. If confirmed, I look forward to working with Congress and other interested parties in the Klamath Basin to ensure that any future determination concerning the Klamath Basin is made in an open and transparent manner and is informed by the best available science.

**Questions from Chairman Wyden**

**2. Ms. Jewel, with respect to Indian gaming, in my state of Oregon the recognized tribes entered into a compact with the state decades ago, pursuant to the Indian Gaming Regulatory Act. This compact allowed each tribe to locate one gaming facility on their ancestral lands. Since many of these facilities are in more rural areas, they have brought jobs to places in Oregon where there otherwise might not be opportunities for economic development. Approving or allowing gaming outside of Oregon tribes' ancestral lands would upset the delicate balance struck decades ago between the tribes and the state, and could trigger a domino effect of tribes uprooting their gaming facilities from their traditional homelands in favor of larger urban areas – thus running afoul of the existing compact and taking jobs away from rural Oregonians – Indian and non-Indian alike. I believe this would be very detrimental to my state.**

**How would you look upon applications for off-reservation gaming, and do you see any reason why Interior should allow tribes to move far from their ancestral lands to put lands into trust for the sole purpose of creating new, more lucrative gaming facilities?**

Response: It is my understanding that it is rare for the Department to take off-reservation land into trust for the purpose of Indian gaming. If confirmed, I would adhere to the Indian Gaming Regulatory Act's requirements and the Department's regulations. I will also take seriously the responsibility to apply these standards and to conduct a rigorous review of all tribal applications.

Written Questions  
Jewell Confirmation Hearing  
Senate Energy and Natural Resources Committee  
March 7, 2013

**Questions from Chairman Wyden**

**3. The Bureau of Land Management's Wild Horse and Burro program has doubled, from roughly \$40 million in FY2009 to nearly \$78 million in the President's FY2013 budget request. Additionally in FY2012, nearly 69 percent of the program budget was allocated for removal, long- and short-term holding, while only 4 percent was allocated for contraceptive measures. Given this, what are you plans for reining in the runaway costs?**

Response: While I am not familiar with the specifics of the BLM's Wild Horse and Burro budget, I am aware that the program's budget has increased to address management requirements. I am also aware that the BLM is continuing research to find effective on-range population control techniques to achieve appropriate herd levels. If confirmed, I look forward to working with you to pursue effective and ecologically sustainable policies for managing America's wild horses and burros.

**Questions from Senator Murkowski**

**4. Currently in the National Petroleum Reserve-Alaska (NPRA) we have one of the most pressing ongoing environmental emergencies of which the federal government is solely responsible, yet refuses to put forth the necessary resources to clean up the leaking petroleum wells. The government is causing harm to the environment, wildlife, and even villagers living in the area. This Committee held a hearing on this in the summer of 2012, and we are still awaiting the BLM's promised documentation on an action plan to clean up the wells. This is the absolute height of hypocrisy, if the federal government was a private company the State of Alaska would have already leveled over \$40 billion in fines, yet the federal government pays nothing and does nothing.**

**If the state of Alaska says they could and would get these wells cleaned up in a matter of years, not decades, why not officially open that door? Why not convey these lands to the state and let Alaska take care of Alaska? Is that a discussion the BLM is open to having?**

Response: I am advised that the BLM has expended significant resources to cleanup legacy wells and is working on a strategic plan to address the remaining legacy wells. If confirmed, I will ensure that the Department continues to communicate with the State of Alaska, Tribes, Alaska Natives, and other interested parties to address legacy wells. As I noted in my hearing, I stand ready to work with you, with the appropriators, and with other members of Congress on this important issue.

Written Questions  
Jewell Confirmation Hearing  
Senate Energy and Natural Resources Committee  
March 7, 2013

**Questions from Senator Murkowski**

**5. Recently, the National Park Service has closed preserves in Alaska to hunting (Wolf hunting in Yukon-Charley and Lake Clark, Bear Denning in Denali and Gates of the Arctic). It has cited “Park Values” in those closures. Can you please provide a definition of the “Park Values”?**

Response: I appreciate the importance of hunting and subsistence activities in Alaska. If confirmed, I will work with you to ensure that the NPS manages park resources and values in a way that is consistent with legal requirements and avoids unnecessary conflict over the management of resident wildlife resources.

With respect to Yukon-Charley Lake Clark, and Gates of the Arctic, I am told that the NPS has not closed preserves to hunting for wolves or for bears. I also understand that federal law provides for the conservation of park resources and values, including wildlife, and prohibits their impairment.



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**6. Do you support hunting within National Preserve Units?**

Response: Yes, I support appropriate hunting in national preserve units where Congress has provided for it.

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**Questions from Senator Murkowski**

**7. What role do you believe hunting, fishing and off road vehicles have in National Park Units? In all public lands?**

Response: As I stated at my hearing, I believe that the Department of the Interior has an important role to play to ensure that our federal lands are managed with an eye toward appropriate and balanced access to these resources ensuring consistency with the land's designation, whether a National Park Unit, BLM land, or other.

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**Questions from Senator Murkowski**

**8. Will you push for increased access to all our public lands for all traditional recreational uses?**

Response: As I mentioned at the Committee's hearing on my nomination, I believe we must take a balanced approach to all of the multiple uses of our public lands. I believe incorporating traditional recreational uses of the public lands is an important part of such an approach.

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**9. Do you believe that particular uses are more suited for public lands than others?  
What are they and why?**

Response: I believe that it is important to look at things on a case-by-case basis to understand the particular uses, and the issues surrounding them, and to respect them for their value to the region and our nation.

**Questions from Senator Murkowski**

**10. Last year, the Land and Water Conservation Fund budget request is for a funding level of \$450 million, which represents \$105 million increase above the current level for DOI agencies and the Forest Service. Most Americans wonder why the Federal Government is buying more land when it cannot afford what it currently owns. This ongoing practice is not logical.**

**Can you please explain to me why, with such an enormous maintenance backlog, DOI would focus such a large amount of money on acquiring more federal land?**

**Shouldn't these funds be used to pay down our maintenance backlog?**

**What is your belief regarding federal land acquisition at this time of staggering national debt and backlogs?**

Response: As a businessperson, I understand the challenges associated with balancing competing budget priorities for limited resources. I also understand that the funding proposed for federal land acquisition is part of a strategy that reflects the President's agenda to protect America's great outdoors and demonstrates a sustained commitment to a 21st Century conservation agenda. There is a balance between addressing the most urgent needs for recreation; species and habitat conservation; and the preservation of landscapes and historic and cultural resources, and addressing the deferred maintenance backlog. In some cases, purchases of inholdings can reduce the costs of management or make management more efficient and effective. Should I be confirmed as Secretary, I look forward to working with you to address this important issue.

**Questions from Senator Murkowski**

**11. The Interior Department is currently involved in two land planning efforts in northern Alaska, having just finished a land plan for the National Petroleum Reserve Alaska (NPRA), and is apparently close to finishing a revised plan for the Arctic National Wildlife Refuge. The NPRA plan calls for placing 52% of the nation's largest petroleum reserve into protected status, while the ANWR plan, currently in draft, calls for major wilderness additions to the 8 million acres of the 17 million-acre refuge already classified as wilderness. My question is that when Congress passed the Alaska National Interest Lands Conservation Act in 1980, Alaskans thought several provisions, notably Section 1326 of the Act, precluded the Administration from declaring major new conservation areas in Alaska. Both plans effectively create new wilderness in my state without seeking Congressional approval for the declarations.**

**What is your view of what the 1980 Alaska lands act requires of the Department and in general, what is your view toward land use and land protection in Alaska?**

Response: As I mentioned in the confirmation hearing, when I worked for Mobil Oil I appreciated that the Arctic development taking place at that time was on the leading edge of technology. I think it is appropriate to explore the resources in the NPR-A in a safe and responsible way, working with industry partners and using the best science available. We must explore these resources in a way that we can assure that we are not putting the ecological system at risk, while producing domestic energy and the jobs it supports. With respect to planning processes in the NPR-A, the Arctic Refuge, or other Departmental actions, if confirmed, I will ensure that the Department complies with all applicable laws and regulations, including the Alaska National Interest Lands Conservation Act.

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**Questions from Senator Murkowski**

**12. Globally, the U.S. is tied for dead last in the amount of time it takes to get yes-or-no answers to those seeking permits for domestic minerals production. As you know, project delays can leave capital stranded and make the U.S. a less attractive place to invest.**

**Understanding the economic, security, trade, and employment benefits of a responsible domestic mining sector, what will you do to lift the U.S. up from last in the world on permitting, and do you believe the timeliness of permitting should be included in evaluations of agency employees doing that work?**

Response: As I said at the confirmation hearing, coming from the private sector I understand that businesses need certainty. I also agree that it is important that development of our nation's energy resources is conducted in a safe and environmentally responsible manner. I appreciate, from speaking with some officials at the Bureau of Land Management, that they are committed to permitting processes that are predictable, reasonable, and reliable for industry. If confirmed, I look forward to working with the BLM to optimize efficiency of the many permitting processes it oversees.

**Questions from Senator Murkowski**

**13. The shale gas boom has been made possible by the combined use of horizontal drilling and hydraulic fracturing. Importantly, hydraulic fracturing is not new – it has been used successfully for many years (and without incident in Alaska since the 1960s). The boom is a game-changer for the U.S. providing a low cost source of energy for use across the economy. Given this, we need to be thoughtful about federal intervention in the development of natural gas.**

**What are your views on state versus federal regulation of hydraulic fracturing?**

**And if confirmed what would you do to ensure proposals such as BLM's to regulate fracking allows the continued development of natural gas resources in the U.S?**

Response: I agree with the President's statement that natural gas has and will continue to play a crucial role in America's energy economy and independence. Hydraulic fracturing technologies have helped open vast new sources of natural gas here in the continental United States. The natural gas boom brought on by advances in fracking technology has powered tremendous economic growth in some parts of the country resulting in job growth and falling energy costs.

As someone who started my career as an engineer for Mobil in the Oklahoma oil fields, I understand the importance of the public having full confidence that the right safety and environmental protections are in place. I believe that working alongside states, tribes, academia, and industry is the right approach to come up with clear and reasonable rules that ensure that the BLM, as manager of the public lands, can ensure that these resources are developed in a safe and responsible way.



**Questions from Senator Murkowski**

**14. In 2010, Interior Secretary Salazar, issued Secretarial Order 3310 giving the BLM immediate authority to inventory "designate appropriate areas with wilderness characteristics under its jurisdiction as 'Wild Lands' and to manage them to protect their wilderness values." Congress rightly objected to this policy because it would (1) set aside large swaths of land that are currently managed for multiple use in accordance with locally developed resource management plans and (2) usurps Congress's sole authority to designate wilderness. Congress then took legislative action to prevent the BLM from implementing the Order. In response, Secretary Salazar issued a memorandum stating that he would abandon the policy and focus his attention on building support around locally driven initiatives to work with Congress on wilderness designations.**

**It is my understanding that such groups as the Conservation Alliance (founded by REI, Patagonia, The North Face, and Kelty) and the Outdoor Industry Association (REI is a member and Jewel has been "lobbying" for its advocacy campaigns) were a driving force behind the "Wild lands" policy and fought hard to see it implemented.**

**Please explain your role (the REI's and your personal role) in the development of and advocacy campaign for the Wild Lands policy.**

**Can you give me your commitment that, if confirmed, you will not designate any "Wild Lands" under the Secretarial Order?**

**It would go a long way in building trust and demonstrating you are committed to working with our public land dominated states and communities on multiple use management if as one of your first actions as Secretary you actually withdraw Secretarial Order 3310. Will you consider taking that action, if confirmed?**

**Will you attempt as Secretary to effectively impose the same rules piecemeal when local land plans come up for development for the same areas, especially if Congress continues with appropriation language to prevent implementation of the wild land rules overall?**

Response: I did not play any personal role in the development of and advocacy campaign for the Wild Lands policy, which was announced by the Department in December 2010. The OIA requested that REI allow the Department of the Interior to hold a press event

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outside the REI store in Denver, CO to announce the policy. REI officials did not participate in this event. In reviewing this question with REI officials, it is my understanding that at the request of the Outdoor Industry Association, REI, through its Executive Vice President Brian Unmacht who serves on the OIA board, agreed to join other leading outdoor companies in signing a letter in February 2011 in support of the Wild Lands Policy.

I understand that Secretary Salazar has confirmed that BLM will not designate any lands as wild lands under Secretarial Order 3310, and that the provisions in that order regarding the designation of Wild Lands are not operative and cannot be implemented because Congress has specifically defunded them. I intend to uphold Congress's direction with respect to this Secretarial Order.

**Questions from Senator Murkowski**

**15. The development of oil and gas resources in a less than 1% area of ANWR would be a significant contributor to U.S. economic and energy security. For oil alone, resource estimates range up to 16 billion barrels, which is just about the same amount that has flowed through TAPS since 1977. And these estimates are based on old data. ANILCA specifically set aside the 10-0-2 area of the coastal plain for development, yet the Fish & Wildlife Service's proposed management plan for ANWR did not include a development alternative – only wilderness alternatives.**

**What are your views on ANWR development and if confirmed, would you ensure FWS considers and oil and gas alternative?**

Response: I understand your concerns and I recognize the important contribution federal resources in Alaska make in meeting our domestic energy production goals. The Administration has stated that decisions regarding safe and responsible energy development on the public lands and offshore coastal areas should be balanced with the Department's mission to ensure that America's spectacular landscapes, fragile ecosystems and habitat, and wildlife and cultural resources are available to future generations. The Arctic National Wildlife Refuge itself is a unique example of an intact, naturally functioning community of arctic and subarctic ecosystems. I am advised the Administration believes that development of the coastal plain is not appropriate and opposes the effort to do so, and if confirmed I will implement that position.

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**Questions from Senator Murkowski**

**16. Total U.S. oil production has increased by about 1.1 million barrels per day over FY2007 production levels. 2012 saw record oil production in the U.S., yet also a decline in oil production on federal lands.**

**What will you do to encourage the development of oil resources from federal lands, increasing domestic production and reducing our dependence on foreign sources?**

Response: As I testified before the Committee, I am committed to the President's "all-of-the-above" energy strategy to expand domestic energy production and reduce dependence on foreign oil. If confirmed, I will seek to increase safe and responsible development of both conventional and non-conventional domestic energy resources, including through exploration of new frontiers, both onshore and offshore, and through the use of new technology.

**Questions from Senator Murkowski**

**17. The U.S. Geological Survey has steadily decreased resources devoted to conducting geological surveys. These activities accounted for just 9% of their budget in FY 2012. The rest was spent on facilities, ecosystem research, climate change, and other activities. Yet the USGS managed to map 96% of Afghanistan with DOD funding. But only 5% of the U.S. has been mapped using the same hyperspectral imaging technologies.**

**When the Afghan data was released, a DOD official stated that “The mineral resources in Afghanistan have the potential to completely transform the nation’s economy,” and that “This important new work by the USGS will be a powerful tool for those attempting to accurately evaluate potential investments in Afghanistan.” I agree that surveying is important, and that it facilitates investment, but American mineral resources provide an equally significant opportunity to transform our own economy.**

**Do you agree with these same points and, if so, what will you do to restore the U.S. Geological Survey’s focus on conducting geological surveys?**

Response: Understanding the nation's mineral endowment is essential to national security and a robust economy and is a core mission of the USGS. I support the use of geological surveying as part of the Department’s important role in providing the best possible science for the nation’s decision makers. If confirmed, I will carefully examine this issue.

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**Questions from Senator Murkowski**

**18. Congress is about to reconsider a bill to permit a natural gas pipeline to run for roughly 7 miles in the right-of-way of the Parks Highway through Denali National Park and Preserve. Running the gas line along the park may well allow the park to use natural gas rather than diesel for power in park facilities and should lessen environmental impacts on wildlife. The previous secretary supported the bill.**

**Will you also support allowing a gas line through the park to supply gas to Southcentral Alaska?**

Response: Although I have not reviewed the legislation that you reference, I understand that the Administration did not object to the prior bill which allowed for flexibility for supporters of the proposed natural gas pipeline while ensuring compliance with appropriate environmental laws. If confirmed, I look forward to working with you, the Congress, and other stakeholders on this issue.

**Questions from Senator Murkowski**

**19. Southcentral Alaska needs natural gas for power generation, since the existing Cook Inlet gas field is in decline and threatening not to produce enough power to keep electricity flowing to the most populated part of Alaska as soon as 2015. The state is currently offering incentives to try to encourage exploration for new gas in the Cook Inlet Basin. Right now, exploration is occurring on inholdings in the Kenai National Wildlife Refuge, but there is a potential dispute over 3-dimensional seismic testing needed to identify the pools of oil and gas under the inholdings in the refuge.**

**Will you commit to work to have the US Fish and Wildlife Service allow 3-D seismic testing and then production of any oil and gas found under all of the inholding lands inside the refuge, even if seismic testing will require some activity on refuge lands?**

Response: I am committed to the President's "all-of-the-above" energy strategy. If confirmed, I will seek to increase our nation's production of both conventional and renewable sources of energy on our public lands, implementing innovative technologies and exploring new energy frontiers, both onshore and offshore, to encourage both safe and responsible development of our natural resources.

Regarding the situation you describe involving the Kenai National Wildlife Refuge and private inholdings, I respect and appreciate the rights of private property owners. If confirmed I commit to learning more about this issue and would be happy to meet with you to discuss any specific proposals.

**Questions from Senator Murkowski**

**20. Right now the holders of Alaska oil and gas leases on the North Slope of Alaska are working to find commercial buyers of Alaska's gas overseas in order to win contracts to permit financing of an Alaska LNG gas project. If buyers are found, it will require 15 federal agencies, many inside the Interior Department, to work cooperative to provide permitting to allow speedy construction of a gasline from the North Slope to a tidewater location somewhere in Alaska.**

**Will you commit to make sure that all Interior agencies will work to speed environmental permitting of an Alaska natural gas pipeline project since delays caused by slowness in permit issuance will add billions of dollars of cost to a project already estimated to cost between \$50 and \$65 billion dollars – the largest privately financed energy project currently on the drawing boards worldwide?**

Response: I understand that the Interagency Working Group on Alaska, chaired by the Department's Deputy Secretary David Hayes, has done important work to coordinate federal agencies' work on major Alaska energy decisions. While I am not familiar with this specific project, if confirmed as Secretary, I will work to ensure that the Department's permitting processes are predictable, reasonable, and reliable.



**Questions from Senator Murkowski**

**21. Fire suppression costs are soaring both in actual dollar amounts and as a portion of the land management agencies total budgets. The 10-year moving average budget formula for suppression expenditures has translated into shortfalls in available suppression funds nearly every year negatively impacting other resource programs in the U.S. Forest Service and the Bureau of Land Management.**

**Will you commit to make it a very high priority within the Department of the Interior to find ways to roll back the cost of firefighting done by federal wildland fire fighters?**

**Will you commit to make efforts to increase the budget requests and advocate using other, more accurate, budgeting methods besides the 10-year moving average to make those budget requests so that we can avoid having to rob the other accounts to pay for firefighting?**

Response: I understand that wildfires have been increasing in number and intensity across the country, and responding to them continues to be an important challenge. As stewards of taxpayer dollars I think it is always important that the Department think about maximizing efficiencies, particularly in a difficult economic climate. I am not aware at this time of whether there are formulaic requirements the agency must follow in budget development and for fire suppression. However, my business background has led me to appreciate that there are opportunities to reduce costs by pursuing operational efficiency. If confirmed, I will work to ensure that the Department pursues efficiency wherever possible in order to maximize the return on the investment of federal resources.

**Questions from Senator Murkowski**

**22. Under current law, 37.5% of the revenues from certain OCS leases in the Gulf of Mexico are shared with Louisiana, Alabama, Texas, and Mississippi. The Committee is working on legislation to expand revenue sharing beyond the Gulf to any coastal state with oil and gas development off its shores, and to extend onshore and offshore revenue sharing programs to revenues from the development of alternative and renewable energy sources.**

**What are your views on these concepts? Do you believe there should be consistency on revenue sharing for all coastal states?**

Response: I believe that the Department, as steward of our public lands and waters and through rigorous dialogue with stakeholders, must strike the right balance of meeting the interests of local communities and the public owners of these resources as we advance the President's "all of the above" energy strategy. I have heard from a number of Senators about this issue. Should I be confirmed, I look forward to better understanding the intricacies of the issues involved.

**Questions from Senator Murkowski**

**23. The Department has increasingly been regulating offshore exploration and development through the use of “Notices to Lessees” rather than through formal rulemaking procedures. This prevents the public and regulated industry from providing valuable input on feasibility and environmental impacts.**

**In what circumstances do you think a NTL is appropriate and vice versa?**

**Would you support a return to regulation by rulemaking?**

Response: As a businessperson, I understand the importance of ensuring that industry has regulatory certainty and clarity and that the regulatory process is open and transparent. Notices To Lessees are used to provide industry operators and contractors with guidance that explains procedures and can further clarify existing regulations. My understanding is that the Department does not intend to use Notices to Lessees to substitute for the use of formal rulemaking processes when it is more appropriate to proceed via rulemakings. In all cases, I will do my best to ensure that all processes used in the regulatory arena proceed in a transparent and interactive manner, including meaningful engagement with stakeholders such as industry, non-governmental organizations, and other governmental agencies.

**Questions from Senator Murkowski**

**24. The NLCS is a collage of more than 27 million acres of wilderness, conservation areas, rivers and monuments managed and protected by BLM. It was established administratively by President Clinton nearly a decade ago and put into law in the 2009 public lands omnibus bill.**

**Secretary Salazar, via a secretarial order, granted the office that oversees the NLCS the level of "directoriate" within the Bureau of Land Management. BLM manages the system for multiple uses, but the Secretary Order gives more direction to its management. The agency can allow grazing, energy development and tourism, but the Order specifies that biodiversity and "ecological connectivity" are supposed to be tantamount.**

**There are concerns that management of the NLCS, as specified in the Secretarial Order 3308, conflicts with the historical multiple use management mission of the BLM and continues what has been characterized as a "too-cozy relationship with environmental groups" (Inspector General Report 2010).**

**How do you envision managing the NLCS, if confirmed as Interior Secretary?**

**What role will environmental groups play in the BLM management of the NLCS?**

Response: I am aware that the NLCS is managed for multiple uses and that these uses must be compatible with the legislation and Presidential proclamation that created the unit and identified the objects and values that the unit was designated to protect. If confirmed as Secretary of the Interior, I will ensure that the management of NLCS units remains consistent with Congress' and the President's intent.

I understand that BLM makes an effort to reach out to diverse groups, communities, and individuals in the planning and management of NLCS units, including hunting and fishing interests; grazing permittees; recreational interests; private land owners; conservation groups; and others. As I stated at the hearing, I believe that to understand the issues, appreciate their complexities, and find common ground, it is key to bring multiple stakeholders to the table to work together. If confirmed, I commit to furthering that approach at the Department of the Interior.

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**Questions from Senator Murkowski**

**25. The caribou herd on Unimak Island is nearing a critically low point – subsistence users have even been banned from harvesting caribous – but USFWS has refused to allow the Alaska Department of Fish and Game to proceed with managing the herd numbers.**

**Currently, is it legally possible for the State ADFG to conduct any predator management on Unimak Island?**

**Can you explain what will be done by the Department of the Interior to ensure that this herd is not wiped out?**

Response: I have been advised that the FWS takes great care in relying on the best available science to guide its decisions and actions. Given the important subsistence issues raised, and concerns raised by the state, if confirmed I commit to working with the state, and ensuring the Department continues monitoring the herd, and will pursue management actions based on the best available science.

**Questions from Senator Murkowski**

**26. States like Colorado and South Dakota are experiencing a historically bad bark beetle epidemic that is killing hundreds of thousands of acres of forests in these states and in other western states. The Kenai Peninsula in Alaska from 1991 to 2004 was host to a similar epidemic that killed most of the trees in an area approximately 1.2 millions in size. Our federal land management agencies do not seem to be nimble enough to react and respond to these epidemics.**

**What should the Department of the Interior and the U.S. Forest Service do to respond more quickly and efficiently to the challenges that these outbreaks cause?**

**Are there steps that Congress should consider to help facilitate federal land management to limit the duration and size of these outbreaks?**

**Are there steps that Congress should take to reduce the risk of allowing these insect outbreaks from becoming epidemics i.e. harvesting to thin the forests or other management steps?**

Response: As someone who has enjoyed the outdoors all my life, I understand the importance of healthy forestlands and the extensive impacts that insect infestations, like the mountain pine beetle outbreak, can have on a landscape. This is a significant challenge in the management of forests and woodlands for all of our land management agencies. I understand that many of the challenges facing the Department of the Interior are complex issues, and require cooperation with the Department of Agriculture, the states, tribes, other stakeholders, and Congress to come up with solutions. If confirmed, I will be committed to identifying synergies and building on cooperative efforts to address the challenges the Department faces in the bark beetle epidemic.

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**Questions from Senator Murkowski**

**27. Wilderness activists have pushed the Department, and the Fish and Wildlife Service, to treat Wildlife Refuges with Wilderness overlays as Wilderness first and Wildlife lands second.**

**Do you concur with that approach?**

**The 1964 Wilderness Act specifies that Wilderness purposes are "supplemental" – does that authorize a reading of the law that allows the "supplemental" purposes to trump primary purposes for designated public land units?**

Response: I understand from the FWS that as it carries out actions to implement the purpose for which an individual refuge was established, relevant provisions of the National Wildlife Refuge System Administration Act, the overall mission of the Refuge System, and the agency's mission in areas designated as wilderness, it does so in a way that preserves the area's wilderness character. However, I also am advised that the Wilderness Act requires that wilderness areas support the public purposes of recreational, scenic, scientific, educational, conservation, and historical uses. If confirmed, I would be happy to discuss any specific issues regarding designated wilderness areas within a particular national wildlife refuge.

**Questions from Senator Murkowski**

**28. Starting in 1973, Congress began designating National Preserves – units administered by the National Park Service but where sport hunting is allowed or mandated. Unfortunately, the National Parks Conservation Association (NPCA) has frequently fought continued hunting, and hunting related access, into these Preserve units despite repeated promises by Congress that traditional hunting and related activities would continue in these units.**

**As a NPCA Board member, did you support NPCA's lengthy litigation campaign against hunters and related access in the Big Cypress Preserve in Florida?**

**Did you, and do you, support NPCA's efforts to have NPS disregard State of Alaska hunting rules and regulations on Preserve units in Alaska?**

Response: As a board member of the NPCA, I did not participate in litigation decisions. This includes NPCA litigation related to the Big Cypress Preserve. I did not participate in any decisions related to State of Alaska hunting rules and regulations on Preserve units in Alaska. If confirmed, should matters in which the NPCA has been involved arise, I will consult with the Department's ethics office on the extent to which I may participate in these issues.



**Questions from Senator Murkowski**

**29. A critical element of statehood is the primary authority to regulate resident fish and wildlife and establish the means, methods, seasons, and bag limits for the taking of such resident fish and wildlife. This state authority also extends to federal lands unless and until expressly and specifically countermanded by Congress using its Property Clause authority. Alaska, like the other 49 states, acquired this same primacy upon entering the Union and Congress later provided that federal land designations and administration were not to diminish this State authority.**

**Do you concur that states, including Alaska, possess primary authority to regulate hunting and fishing on federal lands?**

**Do you concur that it requires a specific federal statutory enactment such as the Wild Horse and Burro Act, the Migratory Bird Treaty Act, or the Endangered Species Act, for federal land agencies to overcome this state primacy?**

Response: I understand that Congress has enacted laws that prescribe different management approaches and relationships. It is my belief that effective conservation of fish, wildlife, plants, and their habitats depends on the professional relationship between managers at the state and federal level. If confirmed, I will make coordination with states a priority in all matters, including conservation and management of fish and wildlife resources on federal land.

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**Questions from Senator Murkowski**

**30. Over the years many non-native species of fish and wildlife have been brought to North America. Some have proven to be detrimental requiring control and eradication programs but others have proven highly beneficial including ringneck pheasants, brown trout and Pacific salmon in the Great Lakes. Nonetheless elements within the National Park Service have urged eradication of some non-native species even when long established and well adapted within certain park units (e.g., brown and rainbow trout in the Firehole/Madison Rivers in Yellowstone).**

**Does your vision of non-native species control extend to eradicating species such as brown trout, pheasants and Great Lakes salmon?**

Response: I believe that management decisions regarding non-native species should be based on the best available science.

**Questions from Senator Murkowski**

**31. One of the overlooked responsibilities of the Department of the Interior is its oversight of the territories and financial assistance provided to the Freely Associated States. The Freely Associated States play a key strategic role for the United States in the Western Pacific. In 1994, the United States entered into a 50-year Compact of Free Association with the island nation of Palau where the US has exclusive military use rights, while in return we provide Palau with economic assistance and extend other privileges to the Palauan people. Palau has been a steadfast ally to the United States, with a high-enlistment rate in the US military and a reliable vote within the United Nations. The economic assistance provisions of the Compact of Free Association with Palau expired in 2009 and Congress has been funding government operations through discretionary funds on an annual basis since then. An Agreement to extend the financial assistance was reached by the Executive Branch in 2010, however, Congressional approval has been delayed because an acceptable, politically viable offset has not been identified.**

**Will you commit to working with Congress to find an offset to extend this assistance for our important ally?**

Response: I understand that the Administration continues to strongly support approval of the Palau financial agreement, and looks forward to continuing the United States' partnership with Palau. I look forward to working with Congress to identify ways to move this important agreement forward.

**Questions from Senator Murkowski**

**32. Wildlife professionals recognize the value of habitat improvement and population management projects for a variety of species, both game and non-game. However, many wilderness activists and other animal protection interests object strongly to wildlife population management arguing that it constitutes inappropriate human intercession into natural processes. This debate has been going on for over a century when Teddy Roosevelt crossed swords with John Muir over the same issues.**

**Do you support traditional wildlife management and where do you stand – with TR or Mr. Muir?**

Response: I believe that both approaches have value. It would depend on a case-by-case analysis of the specifics of each area, and the purposes for which that area would be used. When confronted with these issues, I would consult with interested parties and scientists to achieve the most appropriate solution, under the specific circumstances.

**Questions from Senator Murkowski**

**33. Most energy development on federal lands will require water inputs and will produce wastewaters.**

**What do you see as role of the Department of the Interior in working with local and state entities to plan and manage for water supply and wastewater disposal, treatment, or reuse related to energy development on federal lands?**

**What is your view on the need for better assessment and study of water-energy nexus themes as they relate to potential stresses on current and future water supplies?**

**How should DOI be working with other agencies on these issues?**

**How do costs of electricity and water affect policy and technology choices in this area?**

**How can the federal government work with the other interested parties in both the public and private sectors to improve overall efficiency and cost savings of water for energy and energy for water type operations?**

**What is your view on legislation to promote better practices for water-energy nexus related operations?**

Response: I understand that the Department is actively engaged in wastewater management activities through, among other things, the funding of Title XVI grants to municipalities for wastewater treatment and reuse programs. Through the WaterSMART Program, the Department is taking active steps to assist its partners as they consider the relationship between energy and water in planning and implementing their projects and operations. I also understand that the Department works cooperatively with other federal agencies on these issues. If confirmed, I will continue to support the significant collaboration that occurs between DOI and other federal agencies.

**Questions from Senator Murkowski**

**34. Drought also can influence a variety of other natural hazards and processes, such as wildfire, rapid erosion, and invasive species.**

**What is the Department doing to understand and reduce the full spectrum of drought-related risks on federal lands and adjacent properties?**

**Drought is resulting in interest in identifying flexibility in the operations of federal reservoirs and in federal programs. How do you see the Department of Interior using its existing authorities to better prepare for and manage drought?**

Response: As a Westerner, I am aware of the impacts of drought, and I am committed to ensuring that the Department continues to utilize all available tools when addressing drought. It is an issue that requires adaptive land management and thoughtful science-based approaches. While I am not yet familiar with the specific ongoing efforts within the Department related to drought, if confirmed for this position, I look forward to tapping the available scientific resources of the Department of the Interior and other federal agencies to better understand, prepare for, and manage drought impacts.

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**35. There are several outstanding storage project feasibility studies that were authorized under CALFED (e.g., raising Shasta Dam, Temperance Flats, Sites Reservoir).**

**If these projects are found feasible, would you support authorization for their construction?**

**What are your views on construction of new dams in the West, generally?**

Response: I am aware that the Department of the Interior has a long history of working to address the water supply needs of California. It is my understanding that the Department has worked with other federal, state, tribal and local agencies to study ways to increase water storage in California. Should I be confirmed, I commit to work with the Bureau of Reclamation to evaluate new surface storage, along with a full array of options designed to provide greater reliability and sustainability, so long as these projects are deemed technically and economically feasible and are developed consistent with applicable law and policy.

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**Questions from Senator Murkowski**

**36. Bureau of Reclamation (Reclamation) has hundreds of facilities, many of which have outlived their original engineering lifespan.**

**How would you address the problem of aging infrastructure?**

**What priority would it take in your administration, given all the other competing priorities and budget constraints?**

Response: I recognize that many facilities owned and operated by the Bureau of Reclamation are aging. It is essential that Reclamation maintain and improve its existing infrastructure in order to ensure system reliability and safety and sustained water conservation. I appreciate that aggressive action is required to address future water supply challenges and, if confirmed, I look forward to working with the Bureau of Reclamation on creative approaches for developing financing alternatives to address the aging infrastructure needs of Bureau of Reclamation customers.