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## United States Senate

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May 11, 2015

The Honorable Lisa Murkowski  
Chairman  
Committee on Energy & Natural Resources  
United States Senate

The Honorable Maria Cantwell  
Ranking Member  
Committee on Energy & Natural Resources  
United States Senate

Dear Chairman Murkowski and Ranking Member Cantwell:

I write to respectfully request that you hold a hearing on S. 1276, the Offshore Energy and Jobs Act of 2015, at the earliest possible date.

Currently, about 87 percent of otherwise available Outer Continental Shelf (OCS) areas is restricted from offshore oil and gas exploration. The administration's current five-year offshore oil & gas leasing plan, which took effect in 2012, removed 1.42 billion acres of the 1.65 billion acres of available OCS lands. In addition to blocking new oil and gas exploration off the Atlantic coasts, the administration's leasing program constrained oil and gas production in Gulf of Mexico and Arctic waters. These restrictions coupled with the drop in oil prices has caused a [slowdown](#) in Gulf of Mexico drilling activity. [Barclays](#) predicts spending on oil and gas drilling in North America could fall by \$58 billion or more in 2015 if current prices persist.

Despite these economic hurdles, interest in energy development in the Eastern Gulf of Mexico (EGOM) remains strong. According to a [2014 API/NOIA commissioned study](#), by 2035, Eastern Gulf offshore oil and natural gas development could produce nearly one million barrels of oil equivalent per day (MMboe/d), generate nearly 230,000 jobs, contribute over \$18 billion per year to the U.S. economy, and generate \$70 billion in cumulative government revenue.

The Offshore Energy and Jobs Act of 2015 provides access to frontier acreage in the Gulf of Mexico by redefining the EGOM moratoria in 2017 (it is currently scheduled to expire in 2022) to open the largest undiscovered, technically recoverable, energy resources in areas 50 miles from the Florida coastline. The legislation directs the Department of Interior to hold three lease sales in the EGOM in 2018, 2019, and 2020. S.1276 would also allow for ongoing lease sales going forward beyond 2022.

In an effort to provide greater equity in revenue sharing for states that host offshore energy production, the Offshore Energy and Jobs Act lifts the revenue sharing cap for LA, TX, MS, and AL, from \$500 million in 2017 to \$700 million annually from 2018-2025, and \$1 billion annually from 2026-2055. The amount within the 10-year budget window is partially offset by federal receipts from the new EGOM production.

Responsible revenue sharing allows states hosting energy production to mitigate for the historic and prospective infrastructure demands of energy production and allows states to make strategic investments ensuring for future generations the resiliency of this infrastructure and vital natural resources. Thank you for your consideration, and if you have any questions, please do not hesitate to contact me or my staff.

Sincerely,



Bill Cassidy, M.D.  
United States Senator