February 1, 2016

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

Congress recently passed the Consolidated Appropriations Act for fiscal year 2016, which included a repeal of the longstanding crude oil export ban—a policy change that will have significant negative consequences for U.S. workers, energy independence, and our ability to address global climate change. The repeal will also create new pressure on your Administration to open protected waters to offshore drilling in order to help oil companies better serve their newly expanded markets. We write today to request your assistance in protecting the Atlantic Ocean from this type of exploitation by removing all Atlantic planning areas from the next iteration of the 2017-2022 Outer Continental Shelf (OCS) Oil and Gas Leasing Program.

A recent study by the Brookings Institution found that lifting the export ban would result in an additional 4.7 million barrels per day of oil being pumped by 2035. This amounts to a 50 percent increase in oil production over the next 20 years—and a $500 billion financial stimulus to the oil industry. In order to fully realize this windfall, the oil industry will look to increase production in areas that have previously been off-limits, including in the Atlantic Ocean. Adding insult to injury is the fact that the oil produced would no longer go to enhance our nation’s energy security—instead, it will be shipped overseas to the highest bidder.

Drilling in the Atlantic is a risk-reward proposition—all of the risk is put on the backs of our shore communities, and all of the reward goes to Big Oil. While New Jersey’s small businesses and fishing communities continue on the long road to recovery from Hurricane Sandy, the last thing they need is the threat of an oil spill destroying our shore economy and their livelihoods.

The oil industry, by contrast, faces no such economic threat. They have been the beneficiaries of $470 billion in federal tax subsidies, artificially low royalty rates for drilling on public lands, caps on their liability for oil spills, and now a $500 billion export bonus. Oil companies—even with gas prices as low as they are—are making annual profits the likes of which people on the Jersey Shore won’t see in a lifetime, and spending much of it lobbying to undermine your Administration’s environmental initiatives and propagating climate denial. Turning our coastal waters into an oilfield would be another in a long line of giveaways for an industry that does not need or deserve it.

One immediate step your Administration can take to counteract this new giveaway to Big Oil is to place the whole of the Atlantic Ocean off-limits for drilling in the next iteration of the 2017-
2022 OCS plan. The oil industry currently has millions of acres of non-producing offshore leases—these leases should be used to their fullest extent prior to opening up any new areas of U.S. coastline. Protecting the Atlantic coastline would be a win for our shore economies and would signal to the world that we’re ready to transition to clean energy technology rather than remaining tied to the dirty energy sources of the past. We thank you for your consideration of this request.

Sincerely,

Robert Menendez
United States Senator

Frank Pallone, Jr.
Member of Congress