February 25, 2016

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

Dear Secretary Jewell:

As you develop the 2017-2022 Oil & Gas Leasing Program in the Outer Continental Shelf (5-Year Program), the American Chemistry Council (ACC) urges you to propose the most robust leasing plan possible in order to ensure that energy resources on public lands continue to play their important role as major energy suppliers for the United States.

We understand that you are receiving requests to shut down future oil and natural gas leasing in the OCS as well as on Bureau of Land Management (BLM) lands. These policy changes are short-sighted and could harm industries that rely on secure and affordable supplies of oil and gas to compete in global markets.

American chemistry is one of the largest U.S. manufacturing industries and a key element of the economy. We are the nation’s leading exporter, accounting for 14 percent of all U.S. exports. An $801 billion enterprise, the industry provides 804,000 skilled, high-paying jobs. For every chemistry industry job, nearly 6.3 are generated elsewhere in the U.S. economy, totaling nearly 6 million jobs. Key downstream industries include construction, transportation, and agriculture. As you know, the chemistry industry is highly energy-intensive. We use energy inputs, especially natural gas, for fuel and as our main source of feedstock. Plentiful and affordable domestic supplies have led to massive new investment in U.S.-based chemistry and plastics production. As of this month, 266 projects valued at $164 billion are completed, under construction, or in the planning phase. These new factories and capacity expansions could create $113 billion in new annual chemical industry output and 807,000 permanent new jobs throughout the U.S. economy by 2023.

This is a historic time for American chemistry. Thanks to the natural gas production boom, the United States is the most attractive place in the world to invest in chemical and plastics manufacturing. In fact, 61 percent of the announced investment is by firms based abroad. If policymakers restrict access to future supplies, extreme price volatility could return to U.S. natural gas markets. An earlier period of price volatility, running from late 2000 through mid-2008, led to substantial de-industrialization in gas-intensive sectors like chemistry as companies
shifted production to countries with more stable and affordable supplies. Plans to deny access to oil and gas resources on public lands – offshore and onshore – could jeopardize the investment wave in U.S. manufacturing capacity now underway.

ACC supports an expanded 5-Year oil and gas leasing program. As natural gas demand increases in many sectors of the economy, much of it driven by governmental policy, access to domestic natural gas supplies must grow, too. We urge you to finalize a plan that includes all areas currently open for leasing in the Gulf of Mexico and offshore Alaska and allow leasing in new areas, particularly in the Mid- and South-Atlantic.

The federal government has taken an important step forward by considering energy development in the Atlantic. The Bureau of Ocean Energy Management (BOEM) estimates that the proposed Atlantic leasing area could be home to a significant part of an estimated 3 billion barrels of oil and 25.5 trillion cubic feet of natural gas. Seismic surveying and exploration of the Mid- and South Atlantic will help us better understand the resource base and most likely increase these resource estimates. By opening the Atlantic to energy exploration, America can diversify its energy supplies while growing the East Coast and U.S. economy.

BOEM should proceed also with its proposal for a robust leasing plan in the Gulf of Mexico. The Gulf remains one of America’s greatest energy resources, and we should continue to support its safe development.

Our nation should continue to advance our opportunities offshore Alaska. Aside from being the largest untapped resource basin in North America, energy exploration in the Chukchi and Beaufort Seas will improve our scientific understanding of the Arctic and advance our geopolitical interests in the region. Energy development and environmental protection can coexist in the Arctic. BOEM must avoid additional leasing restrictions off Alaska.

Any sensible long-term energy policy must include our offshore resources. New supplies will help ensure that the U.S. economy and its consumers have access to domestic energy for future generations. A supply strategy that includes OCS energy will support the manufacturing renaissance taking place in the United States.

We appreciate the opportunity to comment and look forward to BOEM finalizing a leasing program that includes broad access to U.S. resources in the Atlantic, Arctic, and Gulf of Mexico.

Sincerely,

Cal Dooley