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COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HEALTH
COMMITTEE ON THE BUDGET

Congress of the United States House of Representatives

March 18, 2015

Director Abigail Ross Hopper
Bureau of Ocean Energy Management
1849 C St NW
Washington DC 20240

Dear Director Hopper,

The Jersey Shore – all 127 miles – is a unique treasure. As a result, we are disheartened to see the Department of Interior's (DOI) current proposed 2017-2022 Five Year Leasing Program include the Atlantic Coast. We strongly urge you to remove all Atlantic planning areas prior to issuing the final iteration of the Five-Year Plan.

Five years ago, there was a unified chorus of bipartisan opposition in New Jersey to the DOI proposal to open the Atlantic Coast to offshore oil and gas exploration and drilling. Thankfully, the Administration withdrew that proposal. Our deepest concerns were confirmed with the explosion on board the Deepwater Horizon oil rig in the Gulf of Mexico, which resulted in 200 million gallons of crude oil spilling into our coastal waters.

While drilling is not authorized directly off the Jersey Shore, oil spills do not respect state boundaries and the proposed Virginia lease areas are only 90 miles from Cape May, New Jersey. We want to thank the DOI for scheduling a public meeting in Atlantic City on March 18 to allow New Jerseyans to provide feedback on this plan. However, many individuals and organizations have already expressed opposition, including the League of Municipalities, the Garden State Seafood Association, the Recreational Fishermen's Alliance, elected officials, and many in the environmental community.

Economic Impacts: The economic consequences of an oil spill near the New Jersey coastline would be catastrophic. In 2011, New Jersey's tourism industry, which is primarily consolidated along the coastline, generated \$38 billion, and \$4.4 billion in state and local tax revenue and \$4.8 billion in federal tax revenue. The industry directly supports 312,000 jobs in New Jersey and provides indirect support for 486,000 more jobs – a total of 9.8 percent of our state's workforce. Also critical to the state's economic health is our fishing industry. Our seafood industry supports over 50,000 jobs, and the state has one of the largest saltwater recreational fishing industries in the nation. New Jersey's commercial fishing industry alone generates over \$7.9 billion annually. In addition to our businesses, the value of our residents' homes would be significantly impacted by an oil spill. According to one estimate, the 2012 insured value of all coastal properties in New Jersey totaled \$713 billion.

However, New Jersey's economy is not the only one that would suffer from an oil-related disaster. Fishing off the Atlantic states produces roughly \$1.75 billion in direct value for states along the East Coast and more than \$4 billion in total economic activity. Tourism in East Coast states generates hundreds of billions of dollars in additional economic activity and supports an estimated 800,000 jobs. The risks that this plan poses to our economy are simply too great.

The aftermath of the BP disaster: As we learned all too well in the wake of the Deepwater Horizon tragedy, offshore drilling poses a substantial risk of economic and environmental devastation for our shoreline communities. Even today, more than four years later, 60 percent of the 210 million gallons that spilled are unaccounted for, and oil-soaked sand and tar balls continue to wash up on the beaches of the Gulf. This is not an isolated example – 20 years after the 1989 Exxon Valdez oil spill off the coast of Alaska, 21,000 gallons of crude lingered in the areas where the spill occurred, and species, including herring and pigeon guillemots, have still not recovered. The blowout also came with an unacceptable human toll, claiming the lives of eleven workers. Expanding drilling would only serve to heighten the risks of these unnecessary human, environmental, and economic costs. In the event of an oil spill that impacts New Jersey's coast, the damage would be both enormously costly and likely permanent.

In addition to the long-term impacts of these spills, they also have the ability to damage a broad geographic area. They do not respect state boundaries, and drilling anywhere along the Atlantic Coast poses a significant risk for all of us. The coastal economies of four states were damaged by the Deepwater Horizon oil spill; and it is likely that any oil spill in the Atlantic would threaten states up and down the coast.

Surfeit of leases: The current Five Year Program makes more than 75 percent of the offshore oil and gas resources in federal waters available for development, while simultaneously protecting states along the East Coast from the dangers associated with offshore drilling. We believe this balance should not be upset as is being proposed in the Department's updated Five Year Leasing Program. According to the Energy Information Administration, there is only about 209 days' worth of oil and 13 months' worth of natural gas in the Atlantic Ocean (if we drill for every gallon); and doing so is only expected to lower the price at the pump for gasoline by **3 cents - 20 years from now.**

According to DOI, the Gulf of Mexico holds the largest volumes of undiscovered technically recoverable oil and gas resources on the Outer Continental Shelf, comprising more than half of all of our nation's offshore oil and gas resources. Yet, the oil and gas industry holds tens of millions of acres of offshore leases in the Gulf that have not yet been developed. In fact, the majority of federal lands offshore in the Gulf under lease have not yet been developed. As a result, the Department should have no need to open to the Atlantic Coast to oil and gas leasing.

Past economic damage from pollution: New Jersey's coast has faced manmade disaster before. When medical waste washed ashore in 1988, New Jersey saw a 22 percent decline in tourism and estimated lost revenues of over \$1 billion. This type of environmental contamination is significantly easier to clean up and remediate than an oil spill, and we fear that any spill would be even more catastrophic for our environment and vital industries. The oil and gas industry has

a \$134 million cap on their liability for offshore drilling, but the spills end up costing in the billions to clean up.

Invest in offshore wind: Creating reliable, domestic sources of energy is key to ensuring our country's economic strength and national security, but continuing to expand fossil fuel production only further ties us to the energy sources of the past. Even modest developments in offshore wind power have the potential to create nearly double the amount of jobs, and almost twice as much electricity when compared with offshore oil and gas production. DOI has recognized this opportunity by taking initial steps towards conducting an offshore wind leasing auction off Atlantic City. This has the potential to create jobs and abundant clean energy for our region. We urge you to consider focusing the Administration's offshore energy production on clean, limitless wind power. These are the types of investments that the federal government should be making as our country works to reduce our carbon output and transition to a cleaner energy economy.

For all these reasons, we strongly urge you to remove all Atlantic planning areas prior to issuing the final iteration of the Five-Year Plan. We would welcome the opportunity to host you or members of your Administration to discuss these concerns first-hand with the business owners, fishermen, and community advocates who would be most impacted by an oil spill. These are the people that stand to lose much more than the oil industry could ever gain by drilling in the Atlantic. We thank you for your attention.

Sincerely,



Bill Pascrell, Jr.
Member of Congress



Frank Pallone, Jr.
Member of Congress



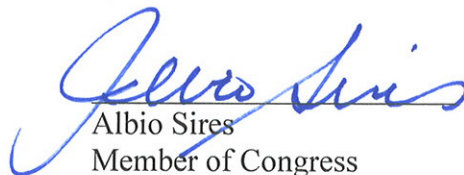
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