

September 7, 2011

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

Dear Mr. President:

The undersigned organizations are part of the broad community of groups that represent the men and women who have been directly impacted by the Administration's permitting slowdown in the Gulf of Mexico and elsewhere in the United States. We understand that you are preparing a major address this week to the Congress to announce a new jobs agenda in order to assist with economic recovery. At the same time, you intend to continue to make progress towards deficit reduction. To be sure, doing both will be a challenge.

One policy initiative that simultaneously creates high-paying jobs and increases revenues into federal coffers would be to improve efficiency and the rate of permitting activity in the Gulf of Mexico to a rate that is commensurate with industry's ability to invest. Because safe, reliable domestic energy impacts all sectors of the US economy -- manufacturing, agriculture, transportation and small business -- such a move makes sense in light of the new regulatory regime and containment protocols developed by the Interior Department and private industry working in partnership.

Getting back to work in the Gulf of Mexico creates jobs all across the United States. According to a recent study from some of the leading energy economists in the world - IHS Global Insight and IHS CERA - increased exploration and production activities in the Gulf would create 230,000 jobs, increase US gross domestic product by more than \$44 billion, and contribute some 400,000 barrels per day of oil production towards US energy independence. This study adds to previous work, including the Quest Offshore report, which found that a return to historic permitting levels would add almost 200,000 jobs by 2013 for a total of nearly 430,000 jobs and an increase in capital expenditures of some 140 percent.

But unlike other proposals, permitting activity in the Gulf actually decreases the budget deficit at a time when local, state and federal budgets are in strong need of revenues. Increasing exploration and production can be expected to increase revenues and royalty payments to state and federal treasuries by almost \$12 billion while reducing US payments for oil imports by about \$15 billion.

Mr. President, some in your Administration dispute the actual rate of permitting in the Gulf of Mexico. However, the rate of approval of exploration plans is down 85 percent, and the median approval time has slipped from 36 days to 131 days. Rigs are actually leaving the Gulf for greater business certainty in places like Egypt, Congo, and Nigeria. We would prefer less dispute

over numbers and more action on permits if this situation is to reverse. Therefore, we urge you to make responsible and effective exploration and development of energy resources in the Gulf of Mexico and elsewhere a centerpiece of your jobs agenda.

Respectfully,

Jim Adams
President and Chief Executive Officer
Offshore Marine Service Association

Lori LeBlanc
Executive Director
Gulf Economic Survival Team

Luke Bellsnyder
Executive Director
Texas Association of Manufacturers

Randall Luthi
President
National Ocean Industries Association

Barney Bishop
President & Chief Executive Officer
Associated Industries of Florida

James Martin
Chairman
60 Plus Association

Don Briggs
President
Louisiana Oil & Gas Association

Jim Noe
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Shallow Water Energy Security Coalition

Paul Cicio
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Industrial Energy Consumers of America

Matthew Paxton
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Barry Russell
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Jay Timmons
President and Chief Executive Officer
National Association of Manufacturers

Hon. Chris John
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Louisiana Mid-Continent Oil and Gas
Association

Ford West
President
The Fertilizer Institute