Congress of the United States

Washington, DC 20515

June 6, 2001

The Honorable George W. Bush
President
The White House
Washington, D.C.

Dear Mr. President:

We are writing to express our strong opposition to proposals to lift the moratorium on oil and natural gas exploration off of the Georges Bank in the Atlantic Ocean.

You recently submitted a proposed National Energy Policy to the Congress. The report laying out your proposed energy policy discusses the fact Congress has designated about 610 million acres off limits to leasing on the Outer Continental Shelf (OCS), and that these Congressional moratoria were extended by Presidential action through 2012. One of the recommendations made in the your proposed national energy policy was to revisit this policy, with a view towards possibly reopening some of the moratoria areas to oil and gas exploration. Specifically, the report states that:

> "The NEPD [National Energy Policy Development] Group recommends that the President direct the Secretaries of Commerce and Interior to re-examine the current federal legal and policy regime (statutes, regulations, and Executive Orders) to determine if changes are needed regarding energy-related activities and the siting of energy facilities in the coastal zone and on the Outer Continental Shelf."[1]

We are deeply concerned about this proposal to reopen the existing moratorium on drilling in the Georges Bank. Press reports indicate that the Natural Gas Subcommittee, a division of the federal advisory committee that provides recommendations to the Interior Department, has recommended that the Department examine "the five top geological plays in the moratoria areas, and if possible, the most prospective areas for natural gas in the plays the industry would like to explore if allowed."[2] The panel's report goes on to note that "eight exploratory wells were drilled in the North Atlantic planning area in 1981-1982, all on the Georges Bank" and that "no

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[1] National Energy Policy, Report of the National Energy Policy Development Group, May 16, 2001, at 5-8.
[2] Anne E. Kornblut, "Georges Bank Drilling Hinted," The Boston Globe, May 23, 2001, at 3.
See also, Natural Gas: Issues and Strategic Recommendations (hereinafter, "Natural Gas"), Report of the Subcommittee on Natural Gas on the U.S. Outer Continental Shelf, May 23, 2001, at vii.

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discoveries were made but the geology implies that if hydrocarbons occur in the area, they would more likely be natural gas prone."[3] The report further states that "If the Atlantic OCS were thoroughly explored, it is possible that economically recoverable natural gas resources would be discovered."[4]

According to press reports, in a May 9, 2001 interview, Energy Secretary Spencer Abraham stated that he was "not aware of any changes to any of the moratoria" and that "I don't think that's been at all under consideration, to my knowledge."[5]

In light of Secretary Abraham's statements, we were quite concerned that an federal advisory panel to the Department of the Interior has already begun exploring lifting the ban on drilling off the coast of New England. We believe there is no need to lift the moratorium on such drilling at this time, since there are abundant alternative sources of natural gas available that can supply our region, as well as steps that we can take to accelerate deployment of technologies which will make us more energy efficient in our consumption of natural gas.

First, we would note that the Department of Energy's Energy Information Administration has projected prices to fall as more natural gas is delivered to the U.S. market. In fact, according to EIA, 2001 natural gas prices are projected to be the highest to occur for at least 10 years.[6] This raises serious questions regarding whether there are significant quantities of economically recoverable natural gas that might be obtained from the Georges Bank.

Second, the United States Geological Survey estimates that the United States has sufficient reserves of natural gas to meet its needs for 45 years at current demand levels and 34 years at the Energy Information Administration's average levels of projected future demand.[7] We also note that significant additional sources of natural gas are available from Canada, from which the United States currently imports 15.35 percent of its annual consumption.[8] As a result, last December, Mark Mazur, Acting Administrator of the EIA stated that "available natural gas resources in the United States combined with supplies from foreign sources are believed to be adequate to meet demand increases expected through 2020[9]

Finally, we note that, according to the Department of the Interior's Minerals Management Service and the National Petroleum Council, an industry trade group, 89

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[3] Natural Gas, at 21.
[4] Natural Gas, at 21.
[5] Anne E. Kornblut, "Georges Bank Drilling Hinted," The Boston Globe, May 23, 2001, at 3.
[6] DoE/EIA Annual Energy Outlook 2001. Website://www.eia.doe.gov/oiaf/aeo/aeotab_15.htm.
[7] USGS website: http://www.usgs.gov and DoE/EIA "Annual Energy Outlook, 2001," p. 84.
[8] National Petroleum Council, "Meeting the Challenge of the Nation's Growing Natural Gas Demand, 2000" website: http://www.npc.org.
[9] Dr. Mark Mazur, Acting Administrator, Energy Information Administration, testimony before the Senate Energy and Natural Resources Committee, December 12, 2000.

percent of proven gas reserves in the United States (on and offshore) are in areas with no restrictions on natural gas drilling. Of onshore reserves alone, 90.7 percent are completely open to drilling and 84 percent of estimated reserves on the Outer Continental Shelf are also unrestricted. These reserves dwarf those which are projected to be available in the Georges Bank which, we are informed, would only meet a months' worth of total U.S. demand.

In light of these considerations, we do not believe that it is necessary at the present time to revisit the moratorium on drilling for natural gas or oil in the Georges Bank. While we appreciate that many advances have been made in drilling technologies in recent years, we are also cognizant of the fact that serious accidents and environmental damage can and do occur at offshore drilling rigs. Drilling in this area poses environmental risks of oil spills, air and water pollution, seismic impacts and onshore damage that we do not believe are warranted in light of the alternatives.

Some 3 million gallons of oil spilled from OCS oil and gas operations in 73 incidents between 1980 and 1999. Oil is extremely toxic to a wide variety of marine wildlife, including marine birds, mammals and commercially important species of fish. Despite industry claims to the contrary, new technology has not alleviated these risks. In one incident in April, for example, more than 90,000 gallons of saltwater and crude oil spilled out of a pipeline in Alaska's North Slope – the fourth major incident there in the last three years.

Moreover, the onshore infrastructure associated with offshore oil and gas causes significant harm to the coastal zone. OCS pipelines crossing coastal wetlands in the Gulf of Mexico, for example, are estimated to have destroyed more coastal salt marsh than can be found from New Jersey to Maine. The industrial character of offshore oil and gas development is often at odds with the existing economic base of the affected coastal communities, many of which rely on tourism, coastal recreation and commercial and recreational fishing. The Georges Bank fisheries are one of the most productive commercial fisheries in the region.

For example, drilling operations generate massive amounts of waste muds, which are used to lubricate drill bits and maintain downhole pressure, and cuttings, which are pieces of rock ground by bits and brought up from the well along with used mud. Operators dump most of this waste, which averages 180,000 gallons per well, into surrounding waters without treating it. Drilling muds contain toxic metals, including mercury, lead and cadmium. Significant concentrations of these metals have been observed around drilling sites.

A second major polluting discharge is "produced water," the water brought up from a well along with oil and gas. The Minerals Management Service estimates that each OCS platform discharges hundreds of thousands of gallons of produced water every

day. Produced water typically contains a variety of toxic pollutants including benzene, arsenic, lead, naphthalene, zinc and toluene, and even radioactive pollutants.

All major field research programs investigating the fate and effects of produced water discharges have detected petroleum hydrocarbons, toxic metals and/or radium in the water column down- current from the discharge. We are concerned the Georges Bank fishery could be adversely affected by the discharges that are normal during oil and natural gas drilling operations. This is a particular concern in the Georges Bank because of the circulation patterns of the water in the Bank.

In addition, drilling an average exploration well also contributes to air pollution by generating some 50 tons of nitrogen oxides (NOx), 13 tons of carbon monoxide, 6 tons of sulfur dioxide, and 5 tons of volatile organic hydrocarbons. Each OCS platform generates more than 50 tons of NOx, 11 tons of carbon monoxide, 8 tons of sulfur dioxide and 38 tons of volatile organic hydrocarbons every year.

In light of these environmental considerations, the availability of alternative sources of natural gas from other regions, we strongly urge you not to repeal the moratorium on oil and gas exploration in the Georges Bank at the present time. We appreciate your consideration of this request.

Sincerely,

Edward J. Markey
Member of Congress

John Kerry
United States Senator

Richard E. Neal
Member of Congress

Edward M. Kennedy
United States Senate

Patrick J. Kennedy
Member of Congress

Rosa Delauro
Member of Congress

Bernard Sanders
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James R. Langevin
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Michael E. Capuano
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Martin T. Meehan
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John E. Baldacci
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Thomas H. Allen
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Jack Reed
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James H. Maloney
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