## Congress of the United States

Washington, DC 20510

January 14, 2011

Mr. Jacob J. Lew Director The Office of Management and Budget 725 17th Street, NW Washington, DC 20503

## Dear Director Lew:

We write to ask for your analysis of the revenue generation from domestic energy resources. In particular, we are hoping to better understand the methodologies for accounting OMB is utilizing to assess multiple agency decisions as they relate to domestic offshore energy production. We would like to bring your particular attention to recent announcements by credit rating agencies that are keeping a close eye on the operations of the federal government.

A recent Wall Street Journal report on this issue notes, "Two leading credit rating agencies on Thursday cautioned the U.S. on its credit rating, expressing concern over a deteriorating fiscal situation that they say needs correction. Moody's Investors Service said in a report Thursday that the U.S. will need to reverse an upward trajectory in the debt ratios to support its triple-A rating. 'We have become increasingly clear about the fact that if there are not offsetting measures to reverse the deterioration in negative fundamentals in the U.S., the likelihood of a negative outlook over the next two years will increase," said Sarah Carlson, senior analyst at Moody's." (Wall Street Journal, *Ratings firms warn U.S. on debt*, January 14, 2011)

In light of these statements we would like your response to the following questions:

- 1. In terms of revenue generation year over year from domestic offshore energy production considering bonus bids and royalty revenue, as well as rents and taxes from income what has been the net revenue each year from 2007, 2008, 2009, and 2010? And what is OMB projecting to be the revenue in 2011, 2012, 2013, 2014 and 2015?
- 2. Is OMB projecting revenue from lease sales in 2011 and 2012, and what is the projected revenue from those lease sales? Please also provide net revenue from lease sales in 2008, 2009, and 2010.

- 3. How does OMB account for, and what methodologies does OMB use to measure, future revenue from all sources of domestic energy? Can these numbers be broken down by the type of energy resource?
- 4. What has been the revenue generation from renewable energy for FY 2007, 2008, 2009 and 2010, and what is OMB projecting to be the revenue in 2011, 2012, 2013, 2014 and 2015? Also, what has been the total amount of grants and subsidies paid out to renewable energy each year, and what are the projections for the noticed years?
- 5. What companies and Venture Capital firms (including their start-up investments) are the top 10 recipients of federal grants, loans and subsidies for renewable energy, and what is the dollar figure for each firm from years 2007 through 2010?
- 6. How does OMB account for a fundamental transition from wealth-generating energy industries to massively-subsidized energy industries in it analysis of revenue generation and our fiscal situation?
- 7. For the American Recovery and Reinvestment Act, what was the total number of projects that received categorical exclusions or reduced environmental review under the Act? What is the percentage of total projects?

As the United States rapidly approaches its debt ceiling, we appreciate your timely response to this letter to inform all members of Congress how the federal government is harnessing or limiting its energy sector's ability to contribute to our overall economy. These figures and statistics would go a long way to helping us all make a clearer, more informed decision.

Sincerely,

David Vitter

United States Senator

Member of Congress