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April 19, 2013

Heather Zichal
White House Energy Advisor
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear Ms. Zichal:

The greatest challenge facing domestic energy production continues to be a unified effort to overregulate and slow access and permitting by our federal agencies. However, a perpetual misinformation campaign has resonated throughout this administration from the Department of Interior, Environmental Protection Agency, and the White House for too long. Accordingly, it was refreshing to hear of your honest statements last month while speaking at an event hosted by Securing America's Future Energy, on March 19, 2013.

What has been reported is that you specifically shared that the administration would not accept any expanded drilling, and that what is supported is the "existing OCS plan and nothing else." I appreciate your sharing a fact that has eluded disclosure by Secretary of Interior Ken Salazar, as well as what is certain to frustrate the President's March 15, 2013 blueprint for America's energy future.[1] As you are aware, without providing any access to new resources there exists no way of paying for the President's Energy Security Trust (Trust) unless the Administration plans on diverting funds away from Gulf producing states, which I can assure you is untenable. Given that you have made clear that there will be "nothing else" you have laid bare the fact that the President has no way of paying for such a Trust, thus making any further discussions of it unnecessary.

Secretary Salazar in particular has played loose and fast with the facts relative to permitting and access. As recently as March 20, 2013, the Interior Department was publicly claiming to have taken steps to "continue to expand safe and responsible domestic energy production." In fact, there has been absolutely no effort to expand domestic energy production on the federal resources Secretary Salazar had been tasked with managing. As a recent CRS study[2] and the Western Energy Alliance points out, "the 1.1 million barrel per day increase in oil production from 2007 to 2012 that continues to make national headlines did not come from our

[1] President Obama's Blueprint for a Clean and Secure Energy Future

[2] *U.S. Crude Oil and Natural Gas Production in Federal and Non-Federal Areas*, Congressional Research Service, March 7, 2013, Marc Humphries.

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nation's federal lands. Likewise, America's natural gas production climbed 40% on state and private lands, while falling by about 33% on federal lands."[3] A more telling number is that since 2010 oil production on federal lands has fallen 15%, with the numbers being even worse for offshore at a 23% decline in production.

The President's blueprint seems to show a significant disconnect between the reality of this administration's policies and a true understanding of the domestic oil and gas industry and how free markets work. The blueprint sites rising gas prices as "a reminder that we are still too reliant on oil" failing to note that the stated policy of Obama Administration officials and the President himself have been to drive up the cost of gasoline and fossil fuel energy in general. From the President whose policy plans would have caused "electricity rates to necessarily skyrocket" to his faux sympathetic comments surrounding prices at the pump skyrocketing saying, he "would have preferred a gradual adjustment" to increase prices – his goals have been clear. These have been echoed by former Energy Secretary Steven Chu who famously stated "somehow we have to figure out how to boost the price of gasoline to the levels in Europe" and Interior Secretary Ken Salazar who as a US Senator vehemently opposed increased access to domestic oil and gas resources even when gasoline prices were above $10 a gallon.

While your public statement should be lauded, I would ask that you expand on the "nothing else" statement by further sharing with the public the administration's efforts on the regulatory front to undermine domestic fossil energy production. For example, while the President's blueprint highlights that "our domestic natural gas resources are reducing energy costs across the economy – for manufacturers investing in new facilities and families benefiting from lower heating costs," it fails to mention the non-scientific political witch hunts EPA has employed to undermine the over half century old technology of hydraulic fracturing that has made the energy boom on state and private lands possible. Specific instances include Dimock, PA as well as the false claims against Range Resources in Texas and the ongoing disaster of a study in Pavillion, WY which has been criticized by a wide breadth of parties including other federal agencies. All of which appear to be part of a larger administration effort made clear by a former EPA Regional Administrator who stated efforts were aimed at "shaming the states" and "crucifying oil and gas companies" while noting new regulations would be "icing on the cake."

The difficulty in sharing the reality of the President's energy policy is that it truthfully highlights the great success of private investment on lands not under the administration's control, and shows that such success is despite this administration rather than because of. While the economy continues to falter, domestic energy production remains a buoy. If the Energy Information Administration (EIA) is correct, that U.S. monthly crude oil production will surpass imports later this year,[4] you will be under pressure to claim the policies of this administration had something to do with the event. However, I ask that you not be afraid to again tell the truth when provided such opportunity to delineate the administration's position on domestic fossil energy leasing and access to federal resources. When asked whether the administration intends to provide access to more federal resources to continue to grow production, generate revenue,

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[3] *Message to Congress*, March, 2013, Western Energy Alliance

[4] *U.S. crude oil production on track to surpass imports for first time since 1995*, Today in Energy, http://www.eia.gov/todayinenergy/detail.cfm?id=10451&src=email, March 20, 2013

create jobs and reduce the cost of energy for those struggling to pay for $4/gallon gas…you should simply respond "nothing else."

Sincerely,



David Vitter
United States Senate