



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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December 11, 2007

The Honorable David R. Obey
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Jerry Lewis
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Members of Congress:

In behalf of the Industrial Energy Consumers of America (IECA), we strongly oppose efforts to include a drilling moratorium on the Naval Oil Shale Reserve located at Roan Plateau, Colorado. It is a federal reserve and a national treasure with 9.0 trillion cubic feet of natural gas that is enough to heat 4.0 million homes for 20 years. The natural gas and other minerals belong to every American and are needed by homeowners, farmers and manufacturers across the country. We urge you not to support this moratorium.

U.S. production of natural gas is down 4% since 2000, imports from Canada is declining and fell 3% in 2006 and LNG imports decreased 7.5% in 2006 according to the Energy Information Administration.

Despite our fragile supply of natural gas, Congress continues to pass legislation that increases demand. The latest is the Energy Bill and its' Renewable Fuels Standard (RFS) that will require significant new quantities of ethanol. Some in the Senate are asking for the volume of renewable fuels to rise to 36 billion gallons by 2022. Using assumptions from the December 3, 2007 Congressional Research Service report and accounting for just new ethanol refining capacity, this could increase demand for natural gas by about 1.6 trillion cubic feet or a 7.3% increase in national demand. Increased natural gas demand of this size without comparable supply, results in significantly higher prices for consumers.

We look forward to hearing from you.

Sincerely,

Paul N. Cicio
President

cc: Members of the House Committee on Appropriations

IECA is a 501 (C) (6) national non-profit non-partisan cross-industry trade association whose membership is exclusively from the manufacturing sector.