



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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December 30, 2009

The Honorable Ken Salazar
Secretary
U.S. Department of Interior
1849 C Street, NW
Washington, DC 20001

Dear Secretary Salazar:

On behalf of the Industrial Energy Consumers of America (IECA), we are aware that the Bureau of Land Management (BLM) is drafting field guidance regarding the use of Section 390 categorical exclusions. These categorical exclusions have been enormously successful at reducing the drilling permit backlogs that we experienced from 2000 to 2005 and resulted in increased natural gas production while maintaining environmental integrity. We are concerned that the draft guidance would severely limit or possibly exclude them from use by subjecting them to further Council on Environmental Quality (CEQ) extraordinary circumstances review and limit the scope of when they might be used. While we recognize the need to issue new guidance to the field, we would strongly urge that the guidance be limited to ensuring the consistent use and tracking of this permitting tool to enable continued full utilization of this important regulatory provision.

IECA is a nonpartisan association of leading manufacturing companies with \$900 billion in annual sales and with more than 850,000 employees nationwide. Member companies use substantial quantities of natural gas as a fuel and feedstock and its price often determines our ability to compete with offshore competition. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum, and brewing.

As we have emphasized on many occasions, we believe that enhancing our nation's energy security is critical and that our country's economic success and quality of life is dependent upon a robust, diverse and affordable supply of energy. Natural gas has a particularly important role to play with our industries and any energy or climate policy will need to ensure enhanced access to this important resource.

Recognizing the importance of this resource and the challenges of accessing it, Congress took steps to expedite the production of domestic energy supply by improving the permitting process for onshore oil and natural gas in the Energy Policy Act of 2005 (EPAAct). The legislation created five categorical exclusions (CXs), under Section 390, to limit redundancy and red tape, and to streamline the permitting process. These CXs have been successful in improving the permitting process while still ensuring important environmental standards are maintained.

At a time when we should be working to enhance our energy supplies here at home, we believe it would be a mistake to pursue policies that would make it more expensive or difficult to access critical natural gas resources . We recognize the importance of the role the Department of the Interior plays in ensuring access to important domestic energy supplies and we stand ready to work with you on these critically important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul N. Cicio". The signature is written in a cursive, flowing style.

Paul N. Cicio
President

The Honorable Jeff Bingaman
The Honorable Lisa Murkowski
The Honorable Nick Rahall
The Honorable Doc Hastings