



Industrial Energy Consumers of America

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December 4, 2006

U.S. House of Representatives
Washington, DC 20515

Dear Members of Congress:

On behalf of the Industrial Energy Consumers of America (IECA), I write to support passage of S.3711, the Gulf of Mexico Energy Security Act of 2006 before Congress leaves this year. We support this bill primarily for one reason – it provides statutory assurance that the Outer Continental Shelf areas included in the legislation will be leased in one year or less. This provision provides certainty that has evaded consumers because of Congressional and Presidential moratoriums that has denied all Americans of needed supplies of natural gas and is responsible for the US having on average, the highest priced natural gas in the world over the last five years.

Time is our real enemy. Every day we delay increasing access to the tremendous natural gas resources in the OCS assures that prices will remain high. Since year 2000, high natural gas prices resulted in manufacturing demand destruction of 22 percent and are largely responsible for the loss of 3.0 million jobs.

We remain alarmed at our country's energy "insecurity". The Energy Information Administration says that natural gas production fell 7.1 percent since year 2001. Canada says they plan to use more of their available natural gas at home. LNG supply is not reliable and only about 50 percent of existing capacity was utilized in 2005.

While welcomed, this legislation is not a solution to the long term natural gas needs of our country. We need to provide greater access to our OCS areas than what is included in S.3711 and we need to do so as soon as possible. We look forward to working with you in the new Congress to take further steps in improving our energy security.

Sincerely,

Paul N. Cicio
President