

Congress of the United States

Washington, DC 20515

September 11, 2008

Speaker Nancy Pelosi
Office of the Speaker
H-232, US Capitol
Washington, DC 20515

Dear Speaker Pelosi,

It is our understanding that energy legislation will soon come to the House floor that will expand offshore energy exploration. Along with our constituents and the American people, we would strongly support such an effort as well as other efforts to increase the production of American-made energy.

Some of the media coverage has indicated that the expansion of offshore energy exploration could be limited to a select few states along the Atlantic coast and that the states would simply be given the option to "opt-in" to offshore energy production. More recent coverage indicates the proposal may deny coastal states a share of the revenue from royalties paid by companies that produce oil and natural gas off their shores, thereby denying states benefits currently received by coastal states where offshore exploration already occurs.

As fellow members of the California delegation, we have serious concerns about legislation that would either deny our state of rights that are being granted to other coastal states or deny our state a share of potential royalty revenues from energy production off our coast. Furthermore, we fail to understand the logic of policies that appear to restrict opportunities and reduce the incentives for coastal states to produce energy and benefit from associated royalty revenues.

The Outer Continental Shelf (OCS) off the California coast contains significant energy resources that can contribute greatly towards American energy independence. According to the Minerals Management Service's OCS Oil and Gas Assessment in 2006, there are an estimated 9.97 billion barrels of oil and an estimated 15.74 trillion cubic feet of natural gas off of the California coast.

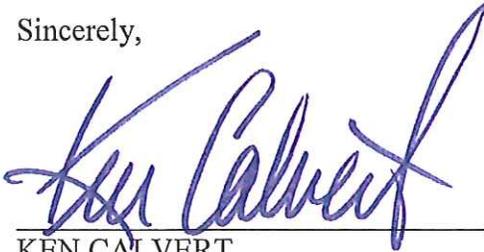
Furthermore, increased offshore energy production could generate considerable revenue income for California's state treasury, which would ease the tax burden on families and help fund essential services such as law enforcement, education, and transportation. Despite the fact that California is more than seventy days into its fiscal year and more than two and a half months past the legislature's deadline to send the Governor a budget, the legislature is still struggling to address a budget shortfall that is greater than \$15 billion. Surely, all coastal states deserve the right to consider offshore energy exploration as part of a solution to our nation's challenges.

Many communities throughout California have understandable concerns about the impact of offshore energy exploration and how to balance our energy needs with the protection of our coastal environment. Given the dramatic improvements in energy exploration technology and a renewed desire to reduce our dependence on foreign sources of energy, Californians have come to realize that we can, and must, find an appropriate balance. The entire country took note on

August 26, 2008, when the Santa Barbara County Board of Supervisors voted to urge the Governor to change state policy and allow expanded oil exploration and extraction off the county's coast.

Again, we urge you to ensure that any energy legislation brought before the House gives California the same rights and incentives that it bestows on other coastal states. Our state, like all others, must address our country's energy challenges by increasing the production of all forms of American-made energy.

Sincerely,



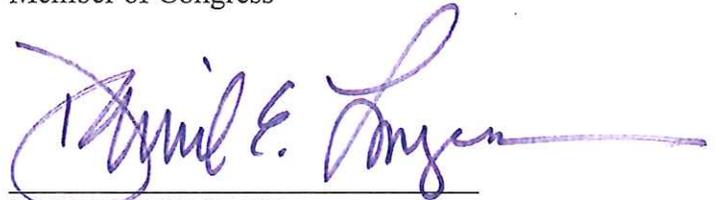
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Member of Congress



GEORGE RADANOVICH
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DAVID DREIER
Member of Congress



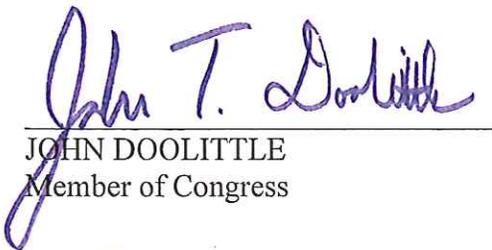
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