

Message

From: Myron Ebell [Myron.Ebell@cei.org]
Sent: 1/8/2018 3:21:05 PM
To: Bennett, Tate [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=1fa92542f7ca4d01973b18b2f11b9141-Bennett, E]
Subject: RE: Reminder: Cooler Heads Coalition meeting Monday, 8th January

Dear Tate, Please bring forty copies. See you all soon. Yours, Myron.

Myron Ebell
Director, Center for Energy and Environment
Competitive Enterprise Institute
1310 L Street, N. W., Seventh Floor
Washington, DC 20005, USA
Tel direct: **Ex. 6**
Tel mobile:
E-mail: Myron.Ebell@cei.org
Stop continental drift!

From: Bennett, Tate [mailto:Bennett.Tate@epa.gov]
Sent: Saturday, January 6, 2018 4:35 PM
To: Myron Ebell <Myron.Ebell@cei.org>
Cc: Bowman, Liz <Bowman.Liz@epa.gov>
Subject: Re: Reminder: Cooler Heads Coalition meeting Monday, 8th January

Hey there, Myron.

Sorry for the delay. So we are confirmed and will be there at noon on Monday. Per your offer, if you could be so kind as to slide us into one of the first slots, it would be much appreciated. It will be myself, Liz, Clint Woods and potentially David Harlow.

Liz and I will open up with a brief 2017 recap (3-5 min max). Liz will distribute the Weekly Standard and National Journal profile pieces on Pruitt that came out in December as handouts. She might have a third as well but TBD. Roughly how many copies of each do you think we will need to bring?

We will then introduce Clint Woods with our Office of Air, whom you know well, and David Harlow, both of who, can speak to NSPS.

We'd love, however, to spend a bulk of the time time fielding questions if that is at all possible. We truly would enjoy the opportunity to interact with folks on broader themes and issues (we might not have the answers to more parochial questions, but can speak to larger themes/ the Admin's top priorities).

Let me know the number of copies of each piece we need to bring and if this plan sounds OK?

Tate

On Jan 5, 2018, at 1:35 PM, Myron Ebell <Myron.Ebell@cei.org> wrote:

Reminder: the Cooler Heads Coalition will hold its January strategy meeting beginning at 12 noon on Monday at CEI, 1310 L Street, N. W., Seventh Floor. There is a lot going on, so we will have a full agenda.

The big news this week has been Interior's new offshore plan. Pasted below is what I wrote about it for today's Cooler Heads Digest. It has links to relevant documents and useful stories.

Interior Announces Ambitious New Offshore Oil Plan

Secretary of the Interior Ryan Zinke on 4th January announced an ambitious oil and gas leasing plan for the federal Outer Continental Shelf (OCS) for 2019 to 2024. The Draft Proposed Plan (DPP) partially replaces the Obama administration's plan for 2017-22.

According to the Department of the Interior's press release, the DPP "proposes to make over 90 percent of the total OCS acreage and more than 98 percent of undiscovered, technically recoverable oil and gas resources in federal offshore areas available to consider for future exploration and development. By comparison, the current program puts 94 percent of the OCS off limits. In addition, the program proposes the largest number of lease sales in U.S. history."

Interior proposes to open 25 of the 26 planning areas and to conduct 47 lease auctions in the five-year period. The DPP, however, is just the first step in a process that will take several years to determine which areas will actually be opened and which lease sales will be held. The process begins with publication of a notice of intent to prepare a draft Environmental Impact Statement. The DPP and the EIS will be open for public comments beginning 8th January, and public meetings will be held around the country beginning 16th January. More information is available here.

Opposition to the plan came immediately from governors from ten coastal states. Florida Governor Rick Scott, a Republican, announced that he would fight to have areas off Florida's coast removed from the plan. Maine Governor Paul LePage, also a Republican, is the only Atlantic or Pacific state governor in favor of oil production off his state's coast.

Offshore oil production would be more popular in these states if the federal government shared royalties with them. Oil and gas royalties from production on federal lands have been shared with states under the Mineral Leasing Act of 1920. Royalties from new production in the Gulf of Mexico have been shared with Louisiana, Texas, Mississippi, and Alabama for the past decade. Congress could pass legislation to extend royalty sharing to all coastal states. It seems to me likely that the prospect of tens of billions of dollars of new revenue would eventually change the minds of California's elected officials.

Environmental pressure groups will also oppose the plan and file multiple law suits. They have already raised the argument that leasing new areas for offshore drilling will never happen because of low oil and gas prices. If that is true, then opponents should be able to relax now. But the Trump Administration is planning for the possibility that prices won't remain low forever.

Curiously, the reverse argument was made two decades ago. When President Bill Clinton vetoed legislation to open a small portion of the coastal plain of the Arctic National Wildlife Refuge (ANWR) to oil exploration in 1995, one environmental group argued that opening ANWR wouldn't do anything to lower gasoline prices, which were then high, because it would take ten years for the oil to start flowing. My view is that we should expect our elected officials to think more than a few months ahead. That is what the Congress did last month when it included opening ANWR in the tax cuts bill, thereby concluding a forty-year debate, and this is what Secretary Zinke is doing with the new offshore plan.

The geopolitical impacts of the plan were noted by Katharine MacGregor, principal deputy assistant secretary for land and minerals management: "This plan is an early signal to the global marketplace that the United States intends to remain a global leader in responsible offshore energy development and produce affordable American energy for many decades to come." The shale oil and gas revolution has already changed the global energy balance of power in favor of the United States. The mere possibility of similarly vast increases in American offshore production will tip it even further.

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