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The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama:

I write to bring your attention to an important economic analysis that sheds light on the true extent and economic potential of our domestic energy resources. My hope is that the enclosed study by Louisiana State University economist Joseph Mason will provide a wake-up call to your administration that it is high time to redirect the anti-fossil fuel agenda that you have put in place. News that the economy contracted in the fourth-quarter of last year and this last week's spike in gas prices of 17 cents indicate that this country should no longer ignore the obvious economic opportunity of creating domestic jobs while accessing American resources and strengthening our national security.

The study, "Beyond the Congressional Budget Office: The Additional Economic Effects of Immediately Opening Federal Lands to Oil and Gas Leasing," commissioned by the Institute for Energy Research, highlights the true potential our economy has to experience if our federal government, specifically the Department of Interior, were genuine about our bountiful domestic fossil fuels. Over the last several years, along with a number of my colleagues, I have written to both you and Secretary Salazar that the unending effort to block access to our federal resources, as well as perpetually frustrating the permitting process, has paralyzed our economic recovery.

The one sector that has kept our economy from further collapse, as well as reinvigorating manufacturing in the United States, has been the production of domestic fossil fuels on private and state lands. We have seen the exact opposite of this boom and growth on federal lands as a result of management decisions made by your administration. My hope is that the truly staggering numbers in Professor Mason's study will help your administration understand that our economic and financial situation is worsened by the actions of the last several years at the Department of Interior which continue today.

As demonstrated in the study, opening federal areas to leasing could generate 552,000 jobs annually over the next seven years and almost 2 million jobs annually over the next thirty years. Mason noted, "Even conservatively estimating, the economic impacts of allowing access to U.S. energy resources are significant. This old dogmatic adherence to policies of limited access and new policies of punishing existing access, taxing that access even more heavily, just restrain economic growth at a time when the U.S. economy is sorely in need of jobs, wages and fiscal revenues." I could not agree more.

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Some additional highlights from this study include:

GDP increase:

- \$127 billion annually for the next seven years.
- \$450 billion annually in the next thirty years.
- \$14.4 trillion cumulative increase in economic activity over the next thirty-seven years. These estimates include “spill-over” effects, or gains that extend from one location to another location. For example, increased oil production in the Gulf of Mexico might lead to more automobile purchases that would increase economic activity in Michigan. Spillover effects would add an estimated \$69 billion annually in the next seven years and \$250 billion over thirty years.

Increase in tax revenue:

- \$2.7 trillion increase in federal tax revenues over thirty-seven years.
- \$1.1 trillion in state and local tax revenues over thirty-seven years.
- \$24 billion annual federal tax revenue over the next seven years, \$86 billion annually thereafter.
- \$10.3 billion annual state and local tax revenue over the next seven years, \$35.5 billion annually thereafter.

I ask that as you continue to direct policies within the federal government, particularly Department of Interior, you consider the opportunity that awaits our country and make the right decision to promote the positive financial and economic impacts of domestic energy production on federal lands on our nation’s economy. Failing to take advantage of this beneficial opportunity cannot be blamed on Congress: permitting and access decisions rest wholly within your administration.

Sincerely,



David Vitter
Ranking Member
Committee on Environment and Public Works