



November 15, 2016

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
Washington, DC 20510

The Honorable Harry Reid
Democratic Leader, U.S. Senate
Washington, DC 20510

Dear Majority Leader McConnell and Democratic Leader Reid:

On behalf of the oil and natural gas industry and the diverse companies both small and large that support the industry, we write to express our support for the American Energy and Conservation Act of 2016, which will enhance and secure revenue sharing programs for states that host energy production activities within their borders, off their shores, or both. We commend Senator Bill Cassidy and his colleagues for their efforts to put forward this important legislation and respectfully ask that members of the U.S. Senate support this bill when it is considered on the Senate floor.

The U.S. has undergone an energy renaissance in recent years that has put millions of Americans to work, generated billions of dollars in revenue for Federal and State governments, and put downward pressure on prices for consumers. Offshore oil production has steadily grown to near record levels and plays a critical role in our economic, energy and national security. Forward thinking energy policy must recognize that the U.S. will continue to need and rely on oil and natural gas for decades to come. In fact, the Energy Information Administration's (EIA) 2016 International Energy Outlook estimates that global energy demand will rise nearly 50 percent between now and 2040 and fossil fuels will continue to supply more than 75 percent of the energy the world uses in 2040. As such, it is important that the U.S. continue to harness domestic energy production both onshore and offshore.

Federal-state revenue sharing programs are vitally important to states supporting energy development. States that play host to energy production supply our country's energy needs and the revenue that has been shared to date allows these states to fund essential state programs, benefiting a broad range of initiatives including transportation, infrastructure improvements, coastal rehabilitation, and education among others. Support for federal-state revenue sharing programs is broad and crosses party lines with support from Governors, state legislatures, local governments and communities. This support for energy production helps the U.S. propel our energy renaissance and has made the U.S. an energy superpower.

We applaud the Senate's attention to this important issue and ask that Senators vote in support of the American Energy and Conservation Act. We know that forward thinking policy decisions made today will play a key role in our energy stability for years to come and revenue sharing is a critical component to our future energy production.

Sincerely,



Jack Gerard
President & CEO
American Petroleum Institute



Randall Luthi
President
National Ocean Industries Association



Barry Russell
President & CEO
Independent Petroleum Association of America



Alby Modiano
President
U.S. Oil and Gas Association



V. Bruce Thompson
President
American Exploration & Production Council



Jason McFarland
President
International Association of Drilling Contractors



Nikki Martin
President
International Association of Geophysical Contractors



Tim Wigley
President
Western Energy Alliance