

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
GOVERNMENT AFFAIRS

1615 H STREET, N.W.  
WASHINGTON, D.C. 20062-2000  
202/463-5310

November 17, 2016

TO THE MEMBERS OF THE UNITED STATES SENATE:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, urges you to vote in favor of S. 3110, the "American Energy and Conservation Act of 2016," which would allow adjacent states that host offshore energy development to share in the federal royalties collected.

The Gulf of Mexico has established itself as the backbone of U.S. energy supply, accounting for about 20 percent of America's energy production. Even while onshore production was decreasing under pressure of a global supply glut, production in the Gulf was increasing, creating insulation for consumers and businesses from dramatic price swings. Though the Gulf coastal states host the large and complex industry and workers that bring this energy to the American economy, with limited exception, they receive no portion of the royalties and other revenue collected by the federal government. States that host onshore production on federal lands share some 50 percent of the royalties collected. This legislation would allow coastal states a 37.5 percent share, making the royalty sharing more consistent.

In addition to carving out a share of the royalties for host states, this bill would also direct portions of the remaining federal share to conservation and energy efficiency amongst other programs. S. 3110 would correct a significant inequity by allowing a share of federal revenues for the states that the country relies on to deliver the energy Americans depend on every day.

**The Chamber urges you to support S. 3110 and may consider votes on, or in relation to, this bill in our annual *How They Voted* scorecard.**

Sincerely,



R. Bruce Josten