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Thomas J. Gibson
President and Chief Executive Officer

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Ms. Kelly Hammerle
National Program Manager
Bureau of Ocean Energy Management
45600 Woodland Road
Mailstop VAM-LD
Sterling, Virginia 20166

RE: Request for Information (RFI) and Comments on the "Preparation of the 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Program MAA104000" [Docket ID: BOEM-2017-0050]

Dear Ms. Hammerle:

The American Iron and Steel Institute (AISI), on behalf of its U.S. producer member companies, is pleased to provide the following information in response to the Department of Interior's request for information (RFI) and comments on the "Preparation of the 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Program MAA104000" [Docket ID: BOEM-2017-0050] published in the Federal Register at 82 Fed. Reg. 30886 (July 3, 2017).

AISI serves as the voice of the North American steel industry in the public policy arena and advances the case for steel in the marketplace as the preferred material of choice. AISI also plays a lead role in the development and application of new steels and steelmaking technology. AISI is comprised of 19 member companies, including integrated and electric furnace steelmakers, and approximately 120 associate members who are suppliers to or customers of the steel industry.

The steel industry directly employs approximately 140,000 people in steel manufacturing operations in the United States, and directly or indirectly supports nearly one million U.S. jobs. AISI members account for approximately 70 percent of U.S. steelmaking capacity, employing workers across 42 states and in Canada and Mexico.

Offshore Energy and the Domestic Steel Industry

The production of steel is inherently energy intensive, and the industry consumes substantial amounts of electricity, natural gas, and coal and coke to make our products. Energy accounts for typically 20 percent or more of the cost of making steel and the availability and reliability of supplies of these sources is essential to our industry's international competitiveness, especially in cases when steelmakers in competitor nations benefit from energy subsidies.

AISI members continue to make improvements to increase energy efficiency, and the U.S. industry is leading the way by effectively setting the bar for steel industry efficiency worldwide. AISI members have made substantial gains in reducing their energy usage, as well as their environmental footprint, over the last two decades. The domestic steel industry has voluntarily reduced its energy intensity by 31 percent since 1990, while reducing its greenhouse gas (GHG) emissions by 36 percent over the same time period. In fact, the U.S. Department of Energy indicated that the steel industry in the U.S. has the lowest energy intensity and second-lowest CO_2 emissions intensity of any major steel producing country. Even with these gains in energy efficiency, in 2016 our domestic industry consumed 178.1 billion cubic feet (Bcf) of natural gas. The increased availability and affordability of domestic natural gas that would result from fully developing offshore access would enhance the international competitiveness of domestic steelmakers. Affordable natural gas presents all domestic steelmakers with new options for how to make their products more efficiently.

Steel products are essential for the production, distribution, transmission and storage of all types of energy. This is particularly the case as it pertains to the production and transmission of natural gas and oil in offshore areas. Hot-rolled steel plate in coils and cut-to-length plate are key inputs in the production of line pipe, which is used in the gathering, transmission and distribution of oil and natural gas. In addition, hot-rolled steel products are key inputs in the production of oil country tubular goods (OCTG), which are tubular steel products used in oil and gas wells and include casing, tubing and coupling stock of carbon and alloy steel. Fully utilizing offshore oil and natural gas resources has the potential to enable significant manufacturing investments, plant expansions, and job creation in the domestic steel industry.

Steel Industry Comments on Preparation of 2019-2024 Leasing Program

AISI strongly supports the Bureau of Ocean Energy Management (BOEM) in its effort to develop a new National Outer Continental Shelf Oil and Gas Leasing Program for 2019-2024. In doing so, we urge the inclusion of all 26 Outer Continental Shelf planning areas in the development of the Draft Proposed Program (DPP). Unfortunately, the current 2017-2022 Five Year Leasing Program would exclude 94 percent of the OCS

from access and production. This would deprive American individuals and businesses from realizing the benefits of these substantial natural resources.

Recent government estimates indicate that U.S. federal waters contain approximately 148 billion barrels of oil equivalent in undiscovered resources, or enough to meet the nation's oil and natural gas needs for more than a decade. Recent estimates show that currently inaccessible areas in the Atlantic, Alaskan Arctic, and Gulf of Mexico are estimated to contain nearly five times the amount of oil and natural gas that the United States consumed in 2016. It would be detrimental to American economic growth and energy security to exclude any regions from evaluation and consideration at the initial stages of the development of the 2019-2024 leasing program.

In particular, AISI supports the previously-proposed Atlantic lease sale 260 in the mid- and south-Atlantic planning areas offshore Virginia, North Carolina, South Carolina, Georgia. In our 2015 public comments on the Draft Proposed Program (DPP) for 2017-22, we lauded BOEM for the intended sale in the Atlantic Ocean as the area could contain an estimated 3 billion barrels of oil and 25.5 trillion cubic feet of natural gas. Unfortunately, the final program would have cancelled this Atlantic Ocean lease sale, despite its proven economic and energy benefits. AISI again expresses our support for oil and natural gas exploration and production in the Atlantic, and calls for BOEM to reinstate exploration and sales in the 2019-24 OCS program.

Beyond the Atlantic coast, the Gulf of Mexico remains a great energy resource for the United States and safe development of its oil and natural gas resources should be a national goal. The Gulf produces roughly 15 percent of America's domestic oil production and 5 percent of domestic natural gas production. The final 2019-24 OCS program from BOEM should continue a robust leasing schedule in the entire Gulf of Mexico. AISI supports maintaining all ten Gulf of Mexico lease sales without further restriction, so that the area's prominent role in providing for American energy security and economic prosperity can be maintained.

Finally, it is critical that BOEM maintain robust Alaskan leasing efforts for the 2019-24 OCS program. It was disappointing that the final 2017-22 program contained a reduction of available areas and limited number of lease sales, instead of a robust plan for development in a region that holds immense resource potential. The largest untapped resource basin in North America resides in the Chukchi and Beaufort Seas, and BOEM must avoid additional leasing restrictions off Alaska. We reiterate our support for including areas in the upcoming 2019-2024 Leasing Program.

Recommendation

The further expansion of oil and natural gas exploration and production in the OCS has the continued potential to foster benefits for the domestic steel industry as both a large energy consuming sector and a major supplier into key energy-related markets. It also offers the opportunity to achieve and maintain domestic energy self-sufficiency by responsibly harnessing our country's natural resources. We look forward to working with the Interior Department to create a policy environment designed ensure more affordable and reliable energy supplies are made available to the key manufacturing sectors, such as steel, that rely on them. Unlocking the key OCS areas that hold oil and natural gas resources will fully harness the energy and economic benefits for the steel industry and the economy as a whole.

Sincerely,

Thomas J. Gibson