



**American  
Iron and Steel  
Institute**

**Steelgram**

**Immediate Attention Requested**

**May 3, 2011**

**To: Members of the U.S. House of Representatives  
House staff assigned to steel and/or energy issues**

**SUPPORT LEGISLATION (H.R. 1229, H.R. 1230, AND H.R. 1231)  
TO INCREASE ENERGY PRODUCTION FROM DOMESTIC RESOURCES**

**Background**

The domestic steel industry is energy-intensive, using high levels of electricity, natural gas, and coal and coke. In order to reduce these costs, the industry has reduced its energy-intensity by 30% since 1990. In fact, a recent Department of Energy-sponsored report concluded that the steel industry in the U.S. is the most energy efficient of any major steel producing country.

As major consumers of energy, and natural gas in particular, steel companies are negatively impacted by high prices. Reliable and plentiful natural gas is essential to our productivity and competitiveness. Not having an abundant and affordable energy supply puts jobs in the steel industry at risk. Highly-skilled steelmaking jobs will be pushed overseas to parts of the world that have lower energy costs, contributing further to the decline of the North American manufacturing sector. Furthermore, since steel pipe and tubing are integral to both the gathering and transmission of natural gas, it is essential that they be produced in the U.S., rather than in other nations with lower efficiency rates.

**Situation**

The House Natural Resource Committee passed three bills in April to expand production from Outer Continental Shelf (OCS) oil and natural gas resources. H.R. 1229 would end the de facto moratorium in the Gulf of Mexico by requiring the Secretary of the Interior to act on a permit to drill within 30 days of receiving an application, after conducting a safety review. H.R. 1230 would require the Administration to conduct offshore lease sales in the Gulf of Mexico and offshore Virginia. H.R. 1231, would require the Interior Department to move forward on the 2012-2017 OCS lease plan in areas containing the most oil and natural gas resources.

**Request**

Congress must act expeditiously to allow development of additional U.S. energy resources, as part of a comprehensive national energy independence strategy moving forward. The House of Representatives should pass these three bills so that domestic OCS oil and natural gas resources can be increased. The bills offer the potential for relief from high energy prices and volatility of supplies through the timely development of offshore resources. Passing this legislation will help lower energy costs for domestic manufacturing, like the steel industry, allowing us to maximize our productivity and international competitiveness, while maintaining valuable American jobs.

Sincerely,

A handwritten signature in black ink that reads "Thomas J. Gibson".

Thomas J. Gibson