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COMMITTEE ON ARMED SERVICES

COMMITTEE ON
COMMERCE, SCIENCE, AND TRANSPORTATION

COMMITTEE ON VETERANS' AFFAIRS

United States Senate

WASHINGTON, DC 20510

February 9, 2010

The Honorable Barack Obama
President
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. President:

Thank you for your comments during the White House media briefing today regarding the need to increase domestic energy production as America makes the transition to alternative energy sources. I wanted to capitalize on your comments to underscore three issues vital to meeting America's energy needs: support for an Alaska natural gas pipeline project, increase offshore energy development and reasonable federal tax policy to encourage more domestic energy production.

As we have discussed several times as political candidates and as office-holders, the Alaska natural gas pipeline is the single project which can have the greatest positive impact on meeting America's energy needs and stimulating our economy at a time when we sorely need it. This project would deliver more than 4 billion cubic feet of natural gas day from Alaska's North Slope to market, enough to provide nearly 7 percent of America's annual consumption of natural gas. Natural gas is cleaner burning and Alaska's enormous reserves of it would provide a safe, reliable supply for decades while providing tens of thousands of good-paying jobs for Americans. I know your administration already is strongly supportive of this project and I commend your appointment of a new federal coordinator of the Alaska natural gas pipeline project. I urge your support for provisions in the Senate energy bill to underscore the importance of this project to America's energy independence.

Second, increased production from America's outer continental shelf (OCS) is vital. For Alaska, where we know how to responsibly develop and produce oil and gas in extreme conditions, OCS development is necessary to the long-term health of the current Trans-Alaska Oil Pipeline which currently carries 16 percent of U.S. domestic oil production. That OCS production also holds promise to extend the life of the natural gas pipeline for many more decades to come. Interior Secretary Ken Salazar is doing an excellent job balancing the competing values in the Alaska OCS.

Third, I urge you to reconsider provisions in your Fiscal 2011 budget which repeal key tax incentives for independent, American-owned oil and gas producers, such as intangible drilling costs and percentage depletion. These important incentives have been part of our

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tax code for decades, and their repeal threatens American jobs and domestic energy production at a time when we need them both.

Thank you again for your strong support for America's energy sector and for your commitment to ensuring our nation's energy security and independence.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Begich", is written over a light blue circular stamp.

Mark Begich
United States Senator

cc: The Honorable Ken Salazar