



Agriculture Energy Alliance

Representing agriculture as a producer and consumer of energy

October 25, 2005

The Honorable Richard Pombo
United States House of Representatives
1324 Longworth House Office Building
Washington, D.C. 20515

Re: Ocean State Option Act

Dear Chairman Pombo:

The 92 members of the Agriculture Energy Alliance (AEA) thank you for introducing the Ocean State Option Act, which will significantly improve our natural gas supply in the United States. Throughout the debate on the energy bill, the AEA has consistently encouraged Congress to pass legislation that would allow natural gas production in the Outer Continental Shelf (OCS). AEA is very grateful for your leadership on an issue that is critical to agriculture.

The AEA represents a broad-based coalition of farm organizations and agribusiness that face a real crisis because of public policies that have created demand for natural gas while at the same time have restricted access to supply sources. The farm sector depends on significant use of natural gas for food processing, irrigation, crop drying, heating farm buildings and homes, and production of crop protection chemicals and nitrogen fertilizers.

The agricultural community has become much more efficient in its use of energy resources. Since 1980, U.S. farmers have increased nitrogen use efficiency by 35 percent while boosting corn yields by 40 percent. We can produce an abundant, affordable, and healthy food supply, but we need Congress to enact policies that will enable us to access economically the resources needed to produce that supply.

Development of offshore natural gas reserves is crucial for both homeowners and manufacturers that use natural gas as a feedstock, such as nitrogen fertilizer producers. At today's natural gas price levels, the U.S. can expect continued demand destruction in the manufacturing sector along with the loss of good jobs. The Ocean State Option Act can reduce dependence on imported energy and help maintain a competitive domestic manufacturing base through provisions for states to opt out of the current moratorium on development of natural gas supplies in the OCS.

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The Agriculture Energy Alliance thanks you for your leadership in promoting the development of domestic energy resources so important to a competitive agricultural sector. We support this legislation because it will provide an enhanced role for development of offshore energy resources to create additional supplies of natural gas and to diversify the nation's energy supply. We stand ready to work with you on this extremely important legislation that is critical to U.S. farmers, agribusiness and homeowners. Please do not hesitate to ask for our assistance.

Sincerely,

**Agribusiness Association of Iowa
Agribusiness Council of Indiana
Agricultural Council of California
Agricultural Retailers Assn.
Agriliance, LLC
Agrium, Inc.
Alabama Crop Management Assn.
American Farm Bureau Federation
American Plant Food Corporation
American Soybean Assn.
Arkansas Plant Food Assn.
Ben-Trei Ltd.
Brandt Consolidated
CF Industries, Inc.
CHS Inc.
California League of Food Processors
Chemistry Industry Council of Illinois
CoBank (CO)
Colorado Grain & Feed Assn.
Crop Production Services
CropLife America
Delaware Maryland Agribusiness Assn.
Diamond of California
Far West Agribusiness Assn. (WA)
Florida Fertilizer & Agrichemical Assn.
Georgia Agribusiness Council, Inc.
Georgia Feed & Grain Assn., Inc.
GROWMARK, Inc.
Hartung Brothers, Inc.
Hawaiian Alliance for Responsible
Technology & Science
Illinois Fertilizer & Chemical Assn.
Indiana Grain & Feed Association
Indiana Plant Food & Ag Chemicals
Assn.
Intermountain Farmers Assn.
International Chemical Company
International Raw Materials Ltd.
Iowa Institute for Cooperatives
Jim Hicks & Company**

**Kansas Agribusiness Retailers Assn.
Kansas Grain and Feed Assn.
Land O' Lakes, Inc.
Louisiana Ammonia Producers
MFA Incorporated
Mayo Fertilizer Inc.
Michigan Agri-Business Assn.
Minnesota Agri-Growth Council
Minnesota Crop Production Retailers
Missouri Ag Industries Council, Inc.
Montana Agricultural Business Assn.
National Association of Wheat Growers
National Barley Growers Assn.
National Chicken Council
National Corn Growers Assn.
National Council of Farmer Cooperatives
National Sorghum Producers
National Grange
National Renderers Association, Inc.
National Sunflower Assn.
National Turkey Federation
Nebraska Agri-Business Assn.
North Dakota Agricultural Assn.
Northern Ag Suppliers, Inc.
Oklahoma Ag Retailers
Oregon Wheat Growers League
Plant Food Association of North
Carolina, Inc.
PotashCorp
Rocky Mountain Agri-Business Assn.
Society of American Florists
South Carolina Fertilizer and Agrichemical
Assn.
South Dakota Agri-Business Assn.
Southern Crop Production Assn. (GA)
Tennessee Agricultural Production Assn.
Tennessee Farmers Cooperative
Terra Industries
Texas Ag Industries Assn.**

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Texas Agricultural Cooperative Council
The Andersons, Inc.
The Fertilizer Institute
The McGregor Company
The Mosaic Company
3-D Fertilizer Incorporated
U.S. Canola Assn.
USA Rice Federation
United Suppliers, Inc.
Virginia Crop Production Assn.
Virginia Poultry Federation, Inc.
West Central Inc.
Western Peanut Growers Association (TX)
Western Plant Health Association (CA)
Wheeler Bros. Grain and Fertilizer, Co.
Willard Agri-Service of Frederick, Inc. (MD)
Wisconsin Fertilizer and Chemical Assn.