



**Industrial Energy Consumers of America**  
*The Voice of Industrial Energy Consumer*

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July 17, 2007

U.S. Department of the Interior  
Minerals Management Service  
381 Elden Street  
Mail Stop 4024  
Herndon, VA 20170-4817  
VIA email: [rules.comments@mms.gov](mailto:rules.comments@mms.gov)

ATTN: Rules Processing Team  
RIN 1010-AD33

RE: Proposed Rule – Ultra-Deep Gas Wells and Deep Gas Wells on OCS Oil and Gas Leases; Extension of Royalty Relief Provisions to OCS Leases Offshore of Alaska (72 Fed. Reg. 28396, May 18, 2007).

In behalf of the Industrial Energy Consumers of America (IECA), we are strongly in support of this proposed rule to extend royalty relief. Our country's supply of natural gas is very fragile and without increased exploration in the OCS areas, domestic supply will fail to keep up with demand. America needs to increase its domestic supply of natural gas but drilling at greater depths creates greater financial risk and costs. We believe this level of royalty relief is in the public's interest. For these reasons we fully support the proposed rule.

IECA is a national cross industry trade association dedicated to a broad array of energy/environment related issues. Corporate board members are top energy procurement, environmental, and government affairs managers who are leaders in their industry, technical experts, strongly committed to energy efficiency and environmental progress. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, aluminum, chemicals, fertilizer, brick, insulation, steel, glass, industrial gases, pharmaceutical, construction products, automotive products, and brewing.

The manufacturing sector has lost 18.5% of all manufacturing jobs since 2000 and the cost of natural gas has played a significant role. Prices are significantly higher and according to the Federal Energy Regulatory Commission (FERC) higher natural gas prices are increasing the price of electricity across the country this summer. LNG remains an unreliable supply and the Canadian Energy Board says that exports to the U.S. will decline.

IECA encourages greater domestic production in the OCS. At greater exploration depths, production companies are exposed to higher financial risks and costs. The extended royalties encourage them to take these risks. Extending the royalty relief encourages drilling in the United States rather than in other places of the world. We strongly support a financially healthy U.S. exploration and production industry. The alternative creates unacceptable risks for all Americans.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul N. Cicio". The signature is fluid and cursive, with a large initial "P" and "N".

Paul N. Cicio  
President