October 4, 2006

The Honorable Samuel P. Bodman
Secretary of Energy
1000 Independence Ave., S.W.
Washington, DC 20585

Dear Mr. Secretary:

We are writing to encourage you to take appropriate action to help preserve the intellectual knowledge base of the nation by restoring your Department's funding of research and education programs at our petroleum engineering and geology universities and colleges.

The Administration's FY 2007 budget again proposes termination of the DOE petroleum and natural gas R&D programs. However, unlike the FY 2006 budget proposal, the Department made no budget allowance for an orderly phase-down of current activities. The House FY 2007 appropriations bill generally followed the Administration's request, while the Senate bill provides limited residual funding for research on unconventional resources.

Because of the lack of a DOE transition plan for this program, current university petroleum geology, engineering, and research programs face the prospect of an abrupt termination on October 1, right after the beginning of the 2006-2007 academic year. We are requesting that the Department take action to do everything it can to extend these programs through the period of any Continuing Resolution. This will provide time for Congress to reach a final decision on funding for these programs in the FY 2007 appropriations process. Further, we request that the Department make its intentions known as quickly as possible, so that the universities can make appropriate plans for the fall term.

 The universities providing petroleum engineering and geology research and education programs are facing the loss of almost $12 million for the continuation of ongoing research, as well as any opportunity for new research that would be possible if the program were funded at levels commensurate with those approved in fiscal year 2006. A list of these schools is enclosed with this letter. Of the existing 158 projects, 43 will terminate by the end of fiscal year 2006, impacting roughly 30% of all petroleum engineering graduate students, should these funds not be restored. Equally of importance is the prospect of losing at least a full academic year of funding at a time when we urgently need the American energy supplies that could result from this research, and seriously impacting the future workforce we will be relying on to supply our energy in the decades ahead.

We also request that the Department actively work with Congress in addressing this problem, and not simply abandon the current programs which have contributed greatly to the discovery of new knowledge as well as to the maintenance of a skilled workforce.

We appreciate the need to move to new, sustainable sources of energy such as biofuels and hydrogen. These energy sources will not, however, replace oil and natural gas for many years, as indicated in the Energy Information Administration's forecasts through 2030. It is critical for the nation's energy and economic security then that there be federal support for the research necessary to develop our domestic oil and natural gas resources in the interim.

We hope full funding for this program will be restored in the final appropriations bill approved by the Senate and retained in the conference. Until this issue is resolved, we hope you will give serious consideration to our request that your Department do everything it can to address this serious problem. We look forward to hearing from you at your earliest convenience.
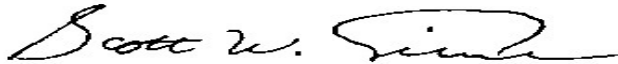
Thanking you in advance, we are

Sincerely yours,

Barry Russell
President
Independent Petroleum Association of America

Kim Harb
Director, Policy and Government Affairs
National Ocean Industries Association

Lee T. Billingsley,
President
American Association of Petroleum Geologists

Scott W. Tinker
President
American Association of State Geologists

Melanie Kenderdine
Vice-President, Washington Operations
Gas Technology Institute

David N. Parker
President and CEO
American Gas Association

Enclosure

cc: (Congressional delegations in states with impacted universities)