



Institute for
Policy Integrity
new york university school of law

For Immediate Release
October 23, 2013

LAWSUIT CHALLENGING FEDERAL OFFSHORE DRILLING PLAN ENTERS NEW PHASE *Opening brief filed to prevent BOEM from illegally short-changing American public*

Washington and New York—The [opening brief](#) was filed today in an on-going lawsuit against illegal practices at the Bureau of Ocean Energy Management (BOEM) that could cost the American public hundreds of billions of dollars.

The [Center for Sustainable Economy](#) (CSE)'s litigation seeks to halt the agency's first five-year outer continental shelf oil and gas [leasing program](#) approved since the Gulf oil disaster. Today's brief argues that incomplete and flawed economic analysis leads BOEM to sell new offshore leases at a time when America's energy needs are being met through less risky sources, when the vast majority of previous leases remain idle, and as the US has become a major exporter of petroleum and gas products.

"Congress clearly intended that offshore oil and gas resources only be developed when they can contribute to meeting America's energy needs in a safe and economically rational manner. The only benefit of new leasing now is to create assets on corporate balance sheets or stimulate even greater amounts of exports of our precious energy resources," said Dr. John Talberth, CSE's President and Senior Economist.

Spiking onshore US energy production, increased energy exports, and slumping prices make these deepwater oil deposits far more valuable in the future. According to administrative law, the government must incorporate these types of considerations into its lease-sale decisions, including the option of deferred leasing.

"Instead of recognizing the wide-ranging benefits associated with deferred leasing, the BOEM stacked the deck against this sensible option by ignoring these benefits altogether. Courts have consistently frowned on such biased cost-benefit analyses," said Steven Sugarman, CSE's lead attorney on the case.

BOEM's five-year program consists of a schedule of oil and gas lease sales indicating the size, timing, and location of proposed leasing activity. Approved in August, 2012, it includes 15 new leasing areas in the Gulf of Mexico and Alaska and [thirty-five](#) ultra-deep-water [leases](#) further off the coast than BP's Deepwater Horizon rig, which blew out in April, 2010.

"BOEM's leasing program gives the American public short shrift," said Michael Livermore, a professor at the University of Virginia's School of Law and senior advisor to the [Institute for](#)

[Policy Integrity](#) at New York University School of Law. “The thinking behind it is economically unbalanced, and unfair to the public. It is also illegal.”

The lawsuit was filed in the United States Circuit Court for the District of Columbia and will be argued next year.

[The Center for Sustainable Economy](#) is a non-profit organization specializing in public interest economics. CSE consults and partners with governments, businesses, universities, and organizations to analyze complex economic issues and implement solutions to speed the transition to a sustainable economy.

[The Institute for Policy Integrity](#) at New York University School of Law is a non-partisan think-tank using economics and law to protect the environment and public health.

###

For the opening brief in the lawsuit, [click here](#).

For CSE’s critique of BOEM’s leasing program, click [here](#).

For Policy Integrity’s report on the option value of off-shore leases, [click here](#).

For an electronic copy of this release, [click here](#).

John Talberth, Steven Sugarman, and Michael Livermore are available for interviews. To arrange a time, please contact Edna Ishayik at ednai@nyu.edu or 212-998-6085.