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Richard L. Revesz  
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The Honorable Nancy Pelosi  
Speaker  
Office of the Speaker of the House of Representatives  
Capitol Building H-232  
Washington DC 20515-6501

September 9, 2008

Dear Speaker Pelosi:

We are writing to urge Congress to commission a cost-benefit analysis of the policy alternatives to the current moratoria on offshore oil drilling.

With the unanticipated spike in gas prices continuing to drain Americans' pocketbooks, we understand the pressures now on Congress to take swift and concrete action to decrease the cost of oil. Eliminating or revising the current offshore drilling moratoria has been proposed as a mechanism to spur production of domestic oil supply and eventually to reduce prices. However, while revisions to the moratoria have received significant public attention, they have received far too little balanced and rigorous economic analysis.

Choosing to end or revise the moratoria, which have been in place since 1982, and potentially open up millions of new offshore acres for private lease is not a casual decision. Lifting the ban carries profound economic and environmental consequences – both positive and negative. The full scope of these consequences cannot be taken into account by Congress without further study and analysis.

We urge Congress to undertake a full and deliberative process. To inform this process, we strongly recommend that Congress commission a thorough and independent cost-benefit analysis. A carefully conducted and peer-reviewed study prepared by the Government Accountability Office, the National Academy of Sciences, a university or institute, or some other trusted organization would provide Members of Congress with a more complete and accurate understanding of the decision before them.

Congress should continue to debate whether to lift or modify the ban. The gravity of our nation's economic situation demands that Congress consider all reasonable policy options. But the same gravity also dictates that Congress fully examine its alternatives before acting. While an informed, deliberative process may be time-consuming, the dividends in

decisional quality are worth the investment. Only through a full evaluation of the economic consequences of its options can Congress ensure that it is acting both decisively and wisely.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Revesz', with a large, stylized initial 'R'.

Richard L. Revesz  
Faculty Director  
Institute for the Study of Regulation

A handwritten signature in black ink, appearing to read 'M. Livermore', with a large, stylized initial 'M'.

Michael A. Livermore  
Executive Director  
Institute for the Study of Regulation

Dean  
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