

**Resourceful Information** 

NATURAL RESOURCES COMMITTEE CHAIRMAN DOC HASTINGS

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## A Closer Look at President Obama's Baby Steps on U.S. Drilling

Big on hype, small on real actions that will actually increase American energy production

With <u>69 percent of Americans</u> supporting increased offshore drilling, it's no surprise that President Obama recently shifted positions in his weekly address and is now embracing increased oil and natural gas production as an answer to rising gasoline prices. While the President's announcement generated headlines, a closer examination of the actual proposals shows that it's big on hype and small on real actions that will actually increase American energy production.

Chairman Hastings <u>noted</u> last week, "One weekend address announcing minor policy tinkering, while positive, does not erase the Administration's long job-destroying record of locking-up America's energy resources."

Even with President Obama's latest speech, our nation is still further behind in developing our American energy resources than we were when he took office. The Obama Administration has canceled onshore oil and natural gas lease sales, canceled offshore lease sales, effectively closed the entire Atlantic and Pacific Coasts to new drilling, and slowwalked permits in the Gulf of Mexico. President Obama has taken our energy policy 10 miles backwards and now wants credit for moving 10 feet forward. The President may be headed in the right direction, but he still has a long, long way to go.

President Obama's Proposal	What It Really Means
1. Conduct annual lease sales in the National Petroleum Reserve in Alaska (NPRA)	The Obama Administration held a lease sale in the NPRA in 2010 – this is not a new proposal.
	The real problem is the Obama Administration continues to delay the issuance of permits for necessary roads, bridges and pipelines to transport the energy once it's produced. For example, ConocoPhillips has been waiting since 2008 for a permit to build a bridge.

		NPRA lease sales will have little impact if the Obama Administration continues to block the construction of infrastructure.
2.	Speed up evaluation of oil and natural gas resources in the mid and south Atlantic.	Before President Obama touts increased production in the Atlantic, don't forget that his Administration CANCELLED the Virginia lease sale scheduled to take place THIS YEAR. Speeding up seismic work is a puny consolation prize for delaying the lease sale until <u>at least 2017</u> .
		The House Republican bills ( <u>H.R. 1230</u> and <u>H.R. 1231</u> ) passed in the last two weeks would not only conduct the Virginia lease sale within a year, but move forward in the next five years with new drilling in the Atlantic in areas with the most oil and natural gas resources.
3.	Hold Gulf of Mexico lease sales in 2012.	These lease sales were previously scheduled to take place in either 2011 or 2012 until they were <u>delayed by the</u> <u>Obama Administration</u> . The President is not opening new areas for drilling.
		The Obama Administration was on course to make 2011 the first year since 1958 that the federal government will not have held an offshore lease sale.
		The Republican bill ( <u>HR 1230</u> ), which passed with bipartisan support, would require the Obama Administration to move forward with these lease sales beginning within four months of enactment.
4.	Extend drilling leases in the Gulf of Mexico and Alaska that were impacted by the offshore drilling moratorium.	This is a simple matter of fairness that the Obama Administration is finally recognizing. The Obama Administration imposed a months- long moratorium on offshore drilling,

	that time should not count against those that are paying to explore and develop energy leases only for a limited amount of time. The Republican bill ( <u>H.R. 1229</u> ) would extend the Gulf of Mexico leases by one year.
5. Create a new team to work on Alaska permits.	Creating a team to look at permits makes a good talking point, but means nothing until actual permits in Alaska are issued. As yet another example of the EPA standing in the way of new energy production, the Obama Administration's EPA has failed to issue a single permit for new offshore drilling in Alaska under the Clean Air Act. Unlike in the Gulf of Mexico, where the Interior Department successfully and responsibly manages air permitting, the EPA has jurisdiction in Alaska.

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