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NATURAL RESOURCES COMMITTEE REPUBLICANS
CONGRESSMAN DOC HASTINGS, RANKING MEMBER

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Democrats' CLEAR Act Threatens Millions of Energy Jobs Throughout the Country

Study after study shows negative impacts to jobs and economy

WASHINGTON D.C. – While Americans continue to ask "where are the jobs?" House Democrats are preparing to pass legislation that will send even more American energy jobs overseas. The CLEAR Act (H.R. 3534) puts the 9.2 million jobs supported by American oil and natural gas at risk by raising taxes, blocking American energy development, continuing a moratorium on deepwater drilling and completely eliminating economic liability caps.

"*Unemployment is still near 10 percent, but instead of focusing on policies that will put Americans back to work, House Democrats are preparing to push through legislation that will destroy jobs and force independent companies out of business. People in the Gulf have experienced enough economic devastation and don't need these job-killing policies piled on top*," **said Ranking Member Doc Hastings**.

- **Raising Taxes and Blocking American Energy Development**
  The bill will likely cost thousands of American jobs by imposing policies that make it more difficult and expensive to produce American oil, natural gas, wind, solar and geothermal energy:

  - Imposes over $22 billion in new energy taxes over 10 years on American oil and natural gas producers on federal land that will discourage energy production, cost jobs and raise energy prices.

  - Removes leasing authority from U.S. Forest Service and the Bureau of Land Management , which will impact leasing of natural gas and oil along with renewable energy such as wind and solar. This could lead to a decline in energy production on federal lands and cost American jobs. The Western Energy Alliance stated that provisions such as this "*would make it more costly and difficult for our members to continue producing 27% of our nation's natural gas while disturbing 0.07% of public lands and support 488,000 western jobs*."

  - Establishes plans for ocean "zoning" that place certain areas off-limits to energy production, fishing, and recreation. It could even limit onshore activities such as farming. This vague new regulatory authority could cost fishing jobs, energy jobs, manufacturing jobs, farming jobs, and many more jobs that may impact waterways that drain into the ocean.

- **De facto Moratorium on Drilling**
  The bill includes numerous items that will delay or block offshore drilling – essentially establishing another de facto moratorium and costing more American jobs. For example, it creates an open-ended approval process for exploration plans that allows the Interior Secretary to indefinitely delay approval.

  People and businesses in the Gulf know too well the economic pain inflicted from the moratorium and cannot afford further delays in getting people back to work.

  According to the study, *The Economic Cost of a Moratorium on Offshore Oil and Gas Exploration in the Gulf Region* by Joseph R. Mason, PhD Louisiana State University, the current Obama moratorium will have the following economic impacts:
  - **Over 8,000 jobs lost in the Gulf Coast region**
  - **Over 12,000 jobs lost across the country**
  - $700 million in lost wages due to the moratorium

  According to API, by 2035 the economic impact of the current moratorium and current legislative proposals could result in:
  - **175,000 fewer** direct and indirect jobs a year

  Furthermore, the Louisiana Mid-Continent Oil and Gas Association notes that the potential for lost wages is over $5 to $10 million for one month per platform that is idle.

- **Eliminating Liability Caps**
  The bill includes unlimited spill liability for offshore operators, which could effectively eliminate independent producers from operating offshore if they cannot obtain insurance policies to cover their operations. There is a clear need for Congress to raise the current $75 million liability cap, yet care must be taken to ensure that changes won't have negative consequences that put companies out of business, cost jobs and harm our economy.

  According to an independent study by IHS Global Insight, an exclusion of the independent producers from the Gulf of Mexico by 2020 would:
  - **Eliminate 300,000 jobs**
  - Result in a $147 billion loss in federal, state, and local taxes from the Gulf region over 10 years

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