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NATURAL RESOURCES COMMITTEE
CHAIRMAN DOC HASTINGS

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Committee Passes Bipartisan Bill to Create 1.2 Million Jobs, Fund Infrastructure Projects by Reversing President Obama's Offshore Drilling Moratorium

WASHINGTON, D.C. – The House Natural Resources Committee today passed legislation to open new offshore areas for American energy production with a bipartisan vote of 25 to 19. As a component of the *American Energy and Infrastructure Jobs Act*, this bill expands U.S. offshore energy production in order to create over 1.2 million American jobs, lower energy prices, strengthen national security and help fund new infrastructure that will support long-term job growth.

The bill removes the Obama Administration's moratorium on energy production along the Atlantic Coast and Pacific Coast and implements a drill smart plan that allows energy production offshore where we have the most resources. The plan also requires the Secretary of the Interior to conduct oil and natural gas lease sales that the Administration has delayed and cancelled and establishes a fair and equitable revenue sharing program with states.

"This common sense action plan reflects the overwhelming sentiment of the majority of Americans that supports increased oil and natural gas production to help grow the economy and put people back to work." **said Natural Resources Committee Chairman Doc Hastings.** *"When President Obama took office, he reinstituted an offshore moratorium on the majority of the United States' offshore areas, blocking job creation and locking up enormous energy resources. This plan reverses President Obama's offshore moratorium and helps employ over a million people who are currently looking for a job. Increased access to offshore energy resources will improve America's energy security by lessening our dependence on unreliable Middle Eastern oil while raising revenues to put even more people to work improving our country's aging infrastructure."*

- Specifically, this component of the *American Energy and Infrastructure Jobs Act* will:
    - Require that each five-year offshore leasing plan include lease sales in the areas containing the greatest known oil and natural gas reserves. For the 2012-2017 plan being written by the Obama Administration, the areas with the greatest known reserves are specifically defined as those estimated to contain 2.5 billion barrels of oil or 7.5 trillion cubic feet of natural gas. Currently, the Obama Administration's 2012-2017 draft plan includes no new drilling, only possible

future lease sales in the Gulf. The requirements to lease in these most prospective offshore areas reverses the Administration's effective moratorium on opening new areas.

- Require the Secretary to establish a production goal when writing a five-year plan. The goal will be the specific amount of oil and natural gas production that is estimated to result from leases made under the plan. Establishes the production goal for the 2012-2017 plan being written by the Obama Administration at 3 million barrels of oil per day and 10 billion cubic feet of natural gas per day by 2027. This 2012-2027 time frame encompasses the fifteen year period of the five-year plan and resulting ten-year leases made under that plan. By comparison to today's levels, this increase in oil equates to a tripling of current American offshore production and would reduce foreign imports by nearly one-third.

- Require the following lease sales that were delayed or canceled by the Obama Administration to occur before September 1, 2012 or within one year after enactment of the bill: lease sale #220 off the Virginia Coast, Gulf of Mexico lease sales #216 and #222, and lease sale #214 in the North Aleutian Basin of Alaska.

- Provide the Secretary of the Interior with the flexibility to issue further lease sales regardless of their inclusion in the 5-year leasing plan in effect at the time.

- Gradually and responsibly conduct three lease sales in the Eastern Gulf of Mexico.

- Promote new energy leasing and production off the coast of California using existing infrastructure, which will allow new energy resources to be developed without using new rigs or equipment.

- Establish fair and equitable revenue sharing of offshore revenues for coastal states, including U.S. territories. It keeps in place the current Gulf of Mexico Energy Security Act (GOMESA) revenue sharing and phases-in a new 37.5 percent revenue sharing percentage to other coastal states when energy is produced off their shores in federal waters.

- Allows state's Governor to request to opt-in to a five-year leasing plan and the Secretary of the Interior will include a lease sale, or sales, of the state's offshore area in the plan.

- Require the Secretary to encourage the use of U.S. workers and equipment in all construction related to energy and mineral development on the OCS.

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