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House Passes Non-drilling Bill

CORRECTION: CNN and other major-media organs portrayed the Democrat-sponsored energy bill just as the Democratic leadership would have hoped. Due to a spike in the price of gasoline to over $4.00 per gallon, Democrats have been under tremendous pressure to back away from their long-standing position to keep huge sections of our outer continental shelf off-limits to oil and gas development. During this election season, they have sought to convince the American people that they want more domestic drilling, despite their past position and many votes to the contrary. Their sponsorship of H.R. 6899 was part of this public-relations ploy. Democrats have disingenuously misrepresented this bill as a proposal for more drilling, in order to neutralize it as a campaign issue for "Drill Baby, drill!" Republicans. In truth, the bill would essentially maintain the status quo.

The initial paragraph of the bill text states its top priority, *to prohibit leasing* in areas not expressly authorized in the measure or a subsequent statute:

> SEC. 101. PROHIBITION ON LEASING.

(a) Prohibition — The Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) notwithstanding, the Secretary shall not take nor authorize any action related to oil and gas preleasing or leasing of any area of the Outer Continental Shelf that was not available for oil and gas leasing as of July 1, 2008, unless that action is expressly authorized by this subtitle or a statute enacted by Congress after the date of enactment of this Act.

New offshore drilling allowed by the measure could be done no nearer the coast than 100 miles, an exception being that states could approve drilling as close as 50 miles. However, no compelling reason is provided for any state to approve drilling in the 50- to 100-mile band, since all royalties generated as a consequence would be required to go to the federal government, with no share into state coffers. Some states on the Gulf of Mexico such as Texas and Louisiana have long received revenues from offshore oil and gas production. It is illogical to expect California or eastern states to permit resources be taken without likewise receiving compensation. In this bill, the 50-mile option was undoubtedly added to make the area opened to new drilling seem more substantial than it really is.

Rep. Mike Pence (R-Ind.) asserted that this bill would permanently ban drilling between 3 and 50 miles off the Outer Continental Shelf, or the recovery of 80 percent of our domestic reserves. Democrats did not yield to Republican pressure to allow more offshore drilling. To the contrary, the Democrat majority was in control and moved H.R. 6899 through passage with lightning speed. On Monday evening, September 15, at about 9:45 p.m., the 290-page bill was filed in the House of Representatives, less than 24 hours before it was to be debated. It was voted on and passed the *very next day* with no Republican amendments allowed. Republican House members objected that they were unable to read or properly examine the entire bill before the vote.

Opponents of increased drilling assert that it will take years before output from new exploration and development affects pump prices, so why bother? John Hofmeister, former president of Shell Oil, addressed that concern in a September 24 interview with Glenn Beck:

> HOFMEISTER: I think this is a shame on Congress that they would not speak honestly with the American people about the fact that, if you block out the first 50 miles, what's the point? When the Gulf of Mexico was opened up, it was the first 50 miles that produced billions and billions of barrels of oil in the western Gulf of Mexico. It's still producing, 20 years later.

But if you have to go to 100 miles out and you don't know what's out there, then the companies will have to … analyze it, and build infrastructure —

BECK: We are 10 years away from — any reasonable person would say at least ten years away from [drilling 100 miles out and getting oil].

HOFMEISTER: Sure. But if you're within the first — let's say 50 miles, in the coast of California there's infrastructure already. You could start drilling later this year, early next year.

Rep. John Shadegg (R-Ariz.) declared that not one drop of oil would be produced as a result of the Democrat bill because it failed to contain language dealing with legal challenges, specifically to block dilatory lawsuits. He said, "Here are the facts. Radical environmentalists, the Center for Biological Diversity, the Natural Resources Defense Council, the Sierra Club and numerous others, Earth First, have filed lawsuits blocking every single oil lease issued in this country and all future oil leases already." In February, 487 oil leases were issued in the Chukchi Sea off of Alaska. All of them are being challenged with a lawsuit, stopping those leases from moving forward. Every new lease will be sued. The Democrats booby-trapped their bill by omitting language to expedite lawsuits that would otherwise tie up oil reserves in the courts indefinitely.

The measure also includes about $19 billion in tax breaks for wind and solar power, clean-coal technologies, and alternative-fuel vehicles. Those tax breaks would be paid for from the new oil and gas royalties and from the largest U.S. oil producers by making them pay more taxes. (Gotcha, Big Oil!) These corporate taxes, of course, would get passed on to the retail customer at the pump, driving prices higher. Utilities would be required by 2020 to produce at least 15 percent of their power from renewable energy. By requiring the marketplace to produce a certain amount of energy with particular technologies, as opposed to allowing the market to decide, the government will cause energy costs to rise.

H.R. 6899 was a sham, only appearing to accommodate meaningful action to reduce energy prices and reliance on imported oil.