

## News Release

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## Rahall bill pushes America towards higher energy prices

*H.R. 2337 would increase costs to families, small businesses, decrease energy independence*

(DENVER) – The Independent Petroleum Association of Mountain States (IPAMS) is calling on the House Natural Resources Committee to vote against legislation being pushed by Rep. Nick Rahall (D-WV) that would increase the cost of energy for American consumers. The “Energy Policy Reform and Revitalization Act of 2007” (H.R. 2337) would repeal much of the bipartisan Energy Policy Act of 2005 and roll back key provisions that have helped to increase domestic energy supplies in recent years.

The Rahall bill is focused on limiting energy development on public lands in the Intermountain West, which is now the largest supply region for domestic natural gas and produces 10% of the nation’s crude oil.

“Energy is no different from every other commodity—its price is mostly dictated by the law of supply and demand. One has to wonder why the Congressional leadership would consider legislation that decreases supplies of oil and natural gas at a time when consumers are already suffering from high prices,” said Marc W. Smith, Executive Director of IPAMS.

"It seems that Mr. Rahall is so focused on passing global warming legislation that he has completely overlooked how this bill would limit the development of natural gas—a critical energy source for reducing carbon emissions and a key component in the production of biofuels," said Smith.

"There was evidently some serious horse trading going on prior to the introduction of this bill—coal development in Mr. Rahall's home state has been protected while vast energy resources in the Intermountain West have been put off-limits for development. This legislation is a wish list of the environmental lobby and if passed would reduce our domestic energy supplies, make America more dependent on foreign sources of oil and natural gas, and further increase what we pay to drive our cars, take vacations, power our factories, and heat and cool our homes," said Smith.

"The Energy Policy Act of 2005 was a huge victory for American consumers and for our national security. It passed through Congress with support from both Democrats and Republicans, including Congressman Rahall. We're not sure why Congress would attempt to roll back the progress we've made, but we are sure that H.R. 2337 would reduce our domestic energy supplies, make America more dependent on foreign sources of oil and natural gas, and increase energy costs for consumers," Smith concluded.

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#### Quick Facts on H.R. 2337:

##### **Would increase our reliance on foreign imports of energy, making us more dependent on the likes of Venezuela, Iran, and Russia.**

- The bill would make it more difficult to develop our energy resources by reducing access to over 82.5 billion barrels of oil and 420 Tcf of natural gas on federal lands.
- The bill would delay development of oil shale and tar sands leasing, leaving over 2 trillion barrels of American oil in the ground.
- Current policies have already locked up over 200 Tcf of natural gas to development, enough to meet the country's total demand for natural gas for ten years. Policies that further limit access will further increase our reliance on foreign energy from unstable countries.

##### **Would cause energy prices to increase**

- By further restricting access to domestic energy resources, domestic supply becomes limited and prices will increase.
- Price increases will hurt low-income families the most.

### **Would hurt small businesses and export jobs overseas**

- The bill would increase costs to produce oil and gas on public lands, driving out small businesses and sending jobs overseas.
- This bill is aimed at “getting even with Big Oil,” but most U.S. oil and natural gas is produced by small companies whose names you’ve probably never heard. These small businesses:
  - Drill 90% of all well
  - Produce 82% of U.S. natural gas
  - Produce 68% of U.S. oil
- Increasing the costs to develop domestic energy resources will drive capital investment out of the United States and with it local jobs.
- The bill would severely restrict access to federal lands, where most of the resources are found in the Intermountain West, putting in jeopardy over 77,000 jobs.

### **Development on federal lands is being done in an environmentally friendly manner**

Currently 1.8% of subsurface federal minerals are under lease, and only 6% are available for leasing. Oil and gas operations result in actual surface disturbance of less than 1% of those federal lands, a small footprint for the invaluable domestic energy supplies that result.

- The impacts of drilling are small and temporary, and operators must already adhere to thousands of local, state, and federal regulations.
- The oil and natural gas industry supports efforts to mitigate the small effects of drilling in wildlife habitat. That’s why we’ve partnered with the conservation community through *Conservation in Action*, a program to foster on-the-ground projects to improve wildlife habitat in areas where development occurs.

*The Independent Petroleum Association of Mountain States (IPAMS), founded in 1974, is a non-profit trade association representing more than 400 independent oil and gas producers, service and supply companies, banking and financial institutions and industry consultants committed to environmentally responsible oil and gas development in the Intermountain West. More information on IPAMS and its members is available at [www.ipams.org](http://www.ipams.org).*