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Hastings & Lamborn Statements on the Decline of American Oil Shale Research

WASHINGTON, DC –House Natural Resources Committee Ranking Member Doc Hastings (WA-04) and Energy and Minerals Subcommittee Ranking Member Doug Lamborn (CO-05) issued the following statements regarding [news reports](#) that only three companies applied for the latest round of Research, Demonstration and Development (RD&D) oil shale leases:

“Last October when Secretary Salazar announced drastic changes to these RD&D leases, we warned that it would discourage companies from participating in oil shale research. Unfortunately, that’s exactly what’s happened,” **said Ranking Member Hastings**. “This means that new job opportunities won’t be available, the federal government will lose out on additional revenue and the American people will be unable to benefit from the potential that shale oil offers. It’s a lose-lose situation for all. Excessive roadblocks and hurdles imposed by the Obama Administration are standing in the way of American energy production and job creation.”

“It should come as no surprise that after a year of nothing but road blocks and red tape from this Administration, the domestic energy producers are pulling back on development and exploration,” **said Lamborn**. “These misguided policies will lead to higher energy costs and more job loss. Secretary Salazar’s new rules chase away 85% of private sector interest in oil shale development and take our country in the wrong direction. I urge the administration to adopt incentives for oil shale production that balance the need for energy with protecting the environment.”

Background

A month after taking office, the Obama Administration announced [delays](#) in the new round of oil shale RD&D leases that would help advance American technology and create high-tech jobs in Colorado, Wyoming and Utah.

In October 2009, the Interior Department [announced](#) a new round of RD&D leases that included significant changes to the program. The new program decreased lease acreage by 87 percent, demanded unrealistic timelines for investment into cutting edge research, included unattainable production requirements, and implanted variable royalty rates.

Last year, Congressman Lamborn introduced [The PIONEERS Act](#) (The Protecting Investment in Oil shale the Next Generation of Environment, Energy, and Resource Security Act), H.R. 2540, to expand production of oil shale.

The PIONEERS Act:

- Directs the Secretary of the Interior to issue additional Research, Development & Demonstration (RD&D) leases within 180 days after enactment of bids published on January 15, 2009. This would reverse Secretary of the Interior Ken Salazar's [decision last February](#) to withdraw a proposed plan for expanded oil shale RD&D leases.
- Makes permanent the commercial oil shale regulations [published guidelines](#) by the Department in November 2008 and apply them to all commercial leasing for the management of federally owned oil shale. This will give oil and gas producers a clear set of rules for commercial development.
- Gives the Secretary of the Interior the ability to temporarily reduce royalties and fees paid by oil producers in order to further incentivize and encourage energy development

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