



Hot Air Alert

WHEN DEMOCRAT RHETORIC AND REALITY COLLIDE

June 4, 2009

Today, House Speaker Nancy Pelosi (D-CA):

“Expressed ‘strong support’ for a major oil and gas title from House Natural Resources Chairman Nick Rahall (D-W.Va.), but both acknowledged it may move separately rather than as part of the Democratic energy and climate bill.”

She also said:

“We need to increase domestic production in a manner that he suggests in the legislation.”

Wait a minute – did Speaker Pelosi really just say that the draft Rahall legislation to increase onshore royalty rates (from 12.5% to 18.75%) and decrease oil and natural gas lease terms (from 10 years to 5 years) will actually increase domestic energy production? If so, can she explain exactly how that works?

The truth is that both measures will actually discourage American energy production, eliminate energy jobs and increase our dependence on foreign oil. In fact:

- In February 27, 2009, the U.S. Department of the Interior Inspector General [reported](#) that “increasing lease fees would not necessarily enhance production and could, in fact, reduce industry interest in federal leases.”
- In June 2008, the American Association of Petroleum Geologists sent a [letter](#) to Speaker Pelosi explaining how “the process of leasing, evaluating, drilling, and developing an oil or natural gas field typically takes five to ten years” and that “oil and natural gas exploration is not simple and it is not easy.” So obviously, shortening the lease terms won’t speed up the process.

Let’s hope Speaker Pelosi gets the facts straight before this legislation ever reaches the House floor.

[Rahall measure unlikely to be part of energy and climate bill](#)

Noelle Straub and Darren Samuelsohn

Greenwire

June 4, 2009

House Speaker Nancy Pelosi (D-Calif.) today expressed "strong support" for a major oil and

gas title from House Natural Resources Chairman Nick Rahall (D-W.Va.), but both acknowledged it may move separately rather than as part of the Democratic energy and climate bill.

"He's putting that out," Pelosi said. "But that may be something to be considered free-standing. We need to increase domestic production in a manner that he suggests in the legislation. Whether it's part of this climate change bill or not, I don't know. What we see now is a bill that will go to Ways and Means and Agriculture, and there are other committees that have a smaller jurisdiction, but that we can get this bill done."

But she added, "Mr. Rahall's legislation does have strong support."

House leaders are aiming to speed the energy and climate bill, and Pelosi yesterday said she wants the eight committees with shared jurisdiction to act by June 19 ([E&ENews PM](#), June 3). That may not leave time for Rahall's piece to be folded into the larger measure, as he had hoped, Rahall acknowledged today.

"It's our understanding probably not," Rahall said when asked if it would be part of the energy and climate bill. "But certainly there's a need."

Rahall's staff last month circulated draft legislation that would raise onshore royalty rates, end the royalty-in-kind program, overhaul planning and regulation for onshore and outer continental shelf energy development, reorganize Interior agencies, and impose a series of ethics reforms, among other features ([Greenwire](#), May 27).

"I'd prefer to have it attached to the climate bill, because when we're talking about energy, it should be in a comprehensive piece of legislation," Rahall told E&E yesterday. "Now is the time to do it, in a nonpolitical season without the emotions attached thereto, and at a time when the price of the pump is relatively low compared to where it was when we heard 'Drill, baby, drill'" ([E&E Daily](#), June 4).

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