

House Energy & Commerce Committee


Ranking Member

Republicans

[Bill text](#)

Repealing Ban on Use of Oil Sands, Shale Oil, Coal-to-Liquids

Section 526 of the recently enacted energy law (Public Law 110-140, the Energy Independence and Security Act of 2007) states in its entirety:

No Federal agency shall enter into a contract for procurement of an alternative or synthetic fuel, including a fuel produced from nonconventional petroleum sources, for any mobility-related use, other than for research or testing, unless the contract specifies that the lifecycle greenhouse gas emissions associated with the production and combustion of the fuel supplied under the contract must, on an ongoing basis, be less than or equal to such emissions from the equivalent conventional fuel produced from conventional petroleum sources.

- Section 526 was added largely to stifle the Defense Department's plans to buy coal-based (or "coal-to-liquids") jet fuels.
- The Air Force is interested in procuring unconventional fuels over the long-term as a way to reduce its reliance on fuels from unfriendly or unstable countries and increasing its use of fuels from North America. Coal-to-liquids, oil shale, and tar sands are all abundant in the United States and Canada. The Air Force wants to use its purchasing power to spur the development of a domestic coal-based synthetic fuel industry by signing long-term fuel contracts with coal-based fuel producers, ensuring that producers have a guaranteed market to offset the millions of dollars in up-front investment needed to produce coal-based fuel.
- Canada is currently the largest U.S. oil supplier. It sent 1.8 million barrels per day of crude oil and 500,000 barrels per day of refined products to the United States in 2006, according to the Canadian Government. About half of Canadian crude is derived from oil sands, with sands production forecast to reach about 3 million barrels per day in 2015. Section 526 could choke this flow of fuel from one of our nation's most reliable allies and economic partners.
- To limit the ability of the Pentagon to get its fuels from friendly sources and force increased petroleum importation from unfriendly or unstable countries does nothing less than put our national and economic security at risk.
- The Defense Department should not be wasting its time studying fuel emissions and should not have to be stifled by the arguments over how to interpret a small section of an energy law. The Defense Department should be allowed to proceed with its vital efforts to increase reliance on American and Canadian fuels and reduce reliance on fuels from overseas.