

The National Environment and Energy Development Act

“The NEED Act”

Purpose: “To greatly enhance the nation’s environmental, energy, economic and national security by terminating long standing federal prohibitions on the domestic production of abundant offshore supplies of natural gas, to dedicate fixed percentages of the resultant royalties for environmental restoration projects, renewable energy and carbon sequestration research, and weatherization and energy assistance for those in need; and to share such royalties with producing states and the federal treasury, and for other purposes.”

1. Environmental Restoration Reserves & other revenue sharing from new gas leases:

37.5 % to Producing States.....	(\$150 Billion)
25.0 % to U.S. Treasury.....	(\$100 Billion)
8.0 % to Energy Efficiency and Renewables Reserve.....	(\$ 32 Billion)
8.0 % to Carbon Capture and Sequestration Reserve.....	(\$ 32 Billion)
5.0 % to Chesapeake Bay Restoration Reserve.....	(\$ 20 Billion)
5.0 % to Great Lakes Restoration Reserve.....	(\$ 20 Billion)
3.0 % to Everglades Restoration Reserve.....	(\$ 12 Billion)
3.0 % to Colorado River Basin Restoration Reserve.....	(\$ 12 Billion)
3.0 % to San Francisco Bay Restoration Reserve.....	(\$ 12 Billion)
2.5 % to LIHEAP and Weatherization Assistance Program.....	(\$ 10 Billion)

*Revenue sharing is based upon \$400 billion in potential royalty revenue from federal gas leases.
This is all NEW money and will result in a net GAIN of \$100 Billion to the Treasury.*

2. No Oil: All current prohibitions on oil leasing and production in the Outer Continental Shelf (OCS) remain.

3. State Control: States control their own destiny with regard to gas leasing for the first 100 miles.

Buffer Zone: A prohibition on gas leasing within the first 25 miles remains.

State Approval Zone: Allow gas leasing from 25 -50 miles only if a state passes legislation to allow such leasing (if a state does not act, a prohibition remains).

State Action Zone: Allow gas leasing from 50-100 miles unless a state enacts legislation maintaining a prohibition.

4. Open Zone: Beyond 100 miles open to gas leasing immediately.

5. American Labor: American workers will produce America’s clean burning natural gas.

“Our Energy Train Wreck”

U.S. Economy

26 year Natural Gas Moratoria

Consumers

Congress

Brought to you by:

Congress and The White House

Starring: Clean, Green Natural Gas

**It's time to break open
the cell doors and free
our Natural Gas Supply!!!**



White House

Environmental
Zealots

Businesses
Homes
Schools
Hospitals
Industry
Government

Emissions
Environment
Renewable
Energy

The Nation's Natural Gas Crisis

An Alarming Situation

Clean Natural Gas Fuels America and Builds Its Products

- Provides 23 percent of our nation's energy
- Is used as an ingredient in thousands of consumer products, including medicines, metals, plastics, clothes and cosmetics
- Supplies energy to 63 million residences
- Produces 20 percent plus of our electricity
- Is the prime ingredient in fertilizers used to produce our food and is a major ingredient in the production of renewable energy such as ethanol and hydrogen
- Provides energy to 4.7 million commercial and 146,000 industrial users
- Is both a fuel and major feed stock for our petro-chemical, polymers and plastics industries

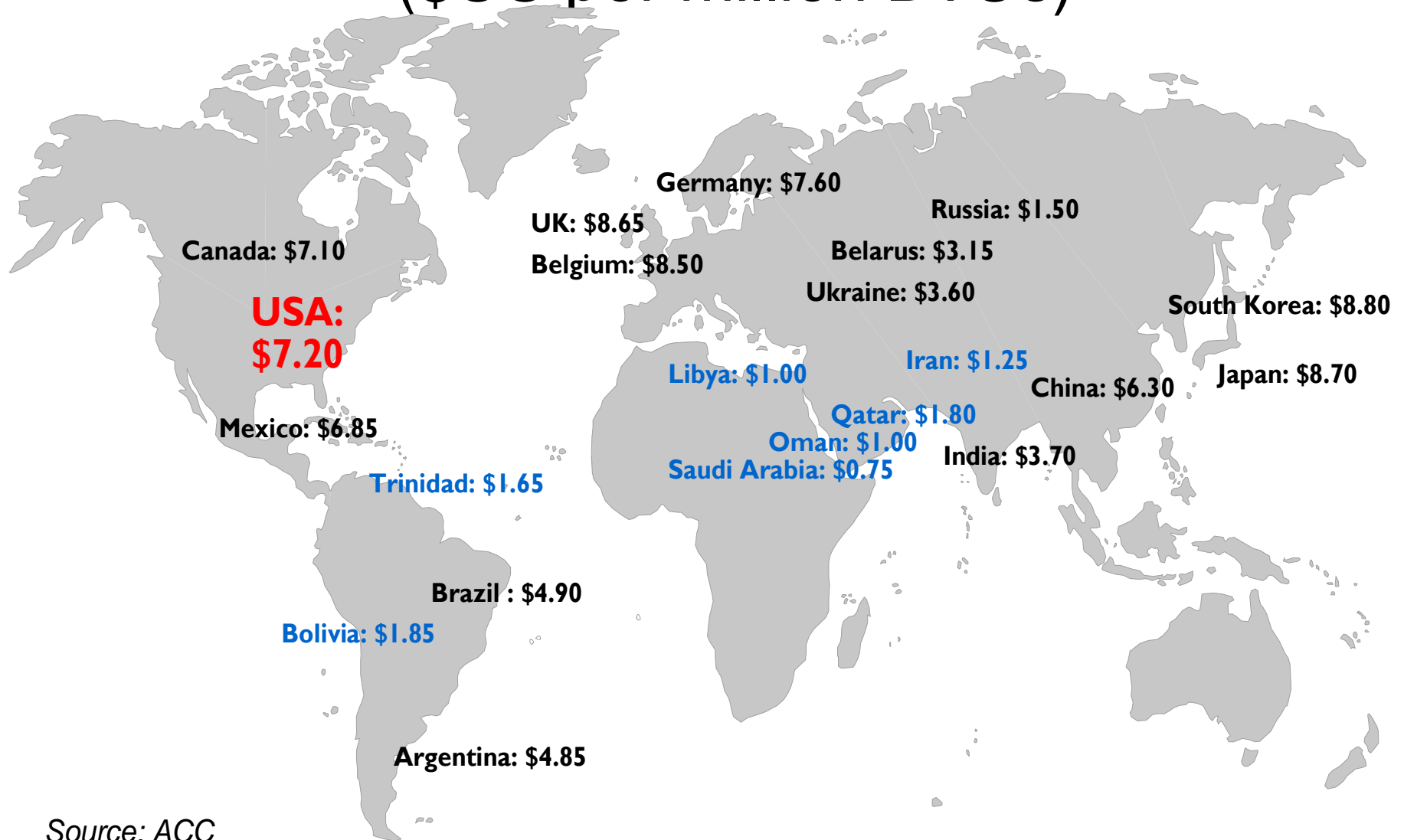
The Problem: Unlike oil, which is a world price, natural gas is a country price. In the early eighties, Congress and the White House placed “temporary” moratoria on off shore domestic production of both Natural Gas and Oil. Congress and the last three presidents have maintained the onerous moratoria **making the United States the only industrialized nation in the world which prohibits off shore exploration and production of domestic energy.**

Results: American consumers and businesses have been paying the highest prices in the world for our own natural gas despite the fact that we have abundant reserves off shore. The consequences: heating and cooling bills continue to grow beyond the reach of many; the loss of major industries and hundreds of thousands of our best jobs to overseas markets where natural gas is much cheaper; increases in the cost of goods and services especially food; increased cost of renewable fuels such as ethanol and hydrogen which greatly depend on natural gas for their production.

Solution: Remove the onerous, outdated Congressional and Presidential Moratoria to open up our vast off shore reserves which will reduce the cost of energy and reduce the prices for goods and services to consumers, business and industry and enable us to use clean natural gas as the bridge to our renewable future. In doing so: protect the coast line, preserve states rights and share royalties with them, dedicate royalties to renewable research, environmental cleanup and energy assistance for low and moderate income households.

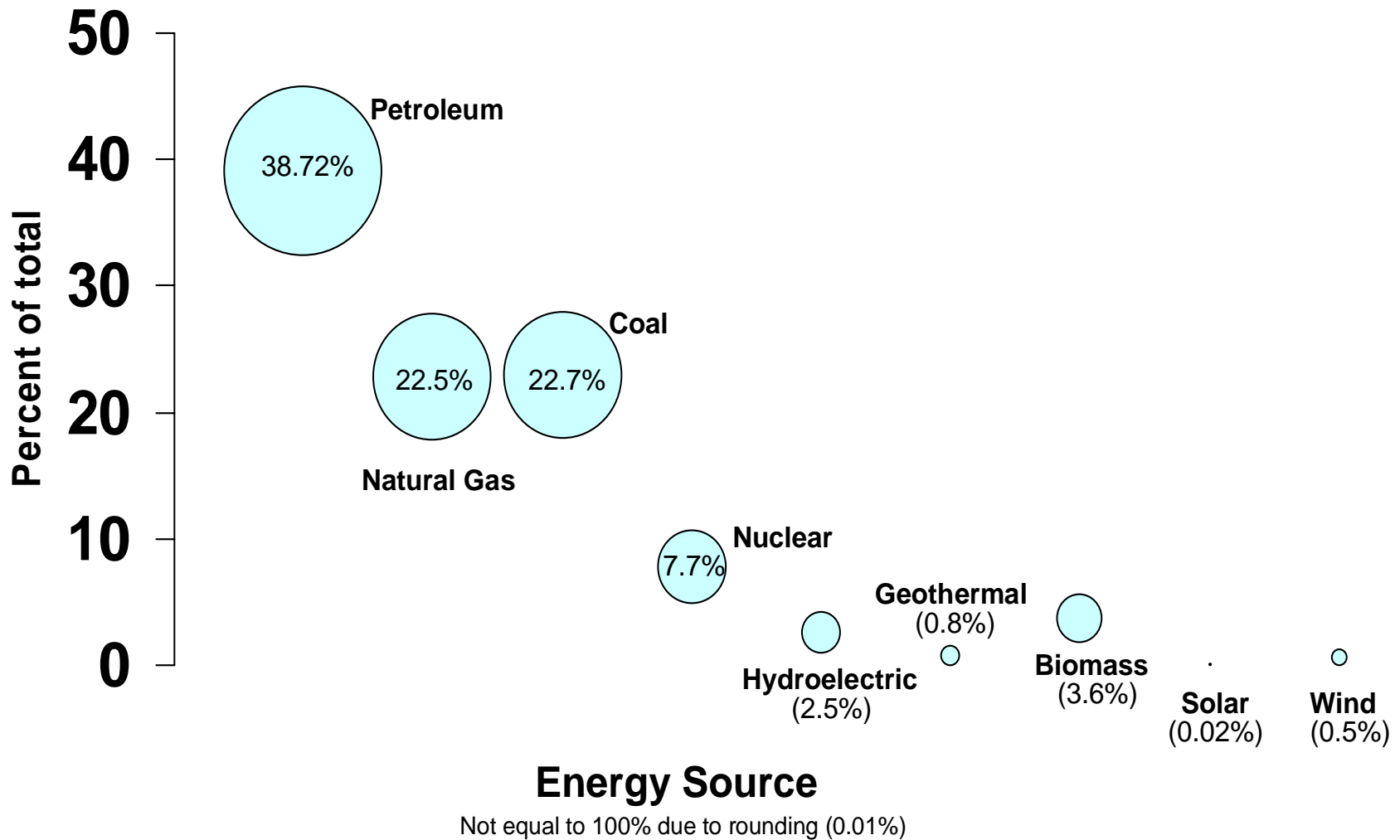
Global Natural Gas Costs – 1st Quarter 2007

(\$US per million BTUs)



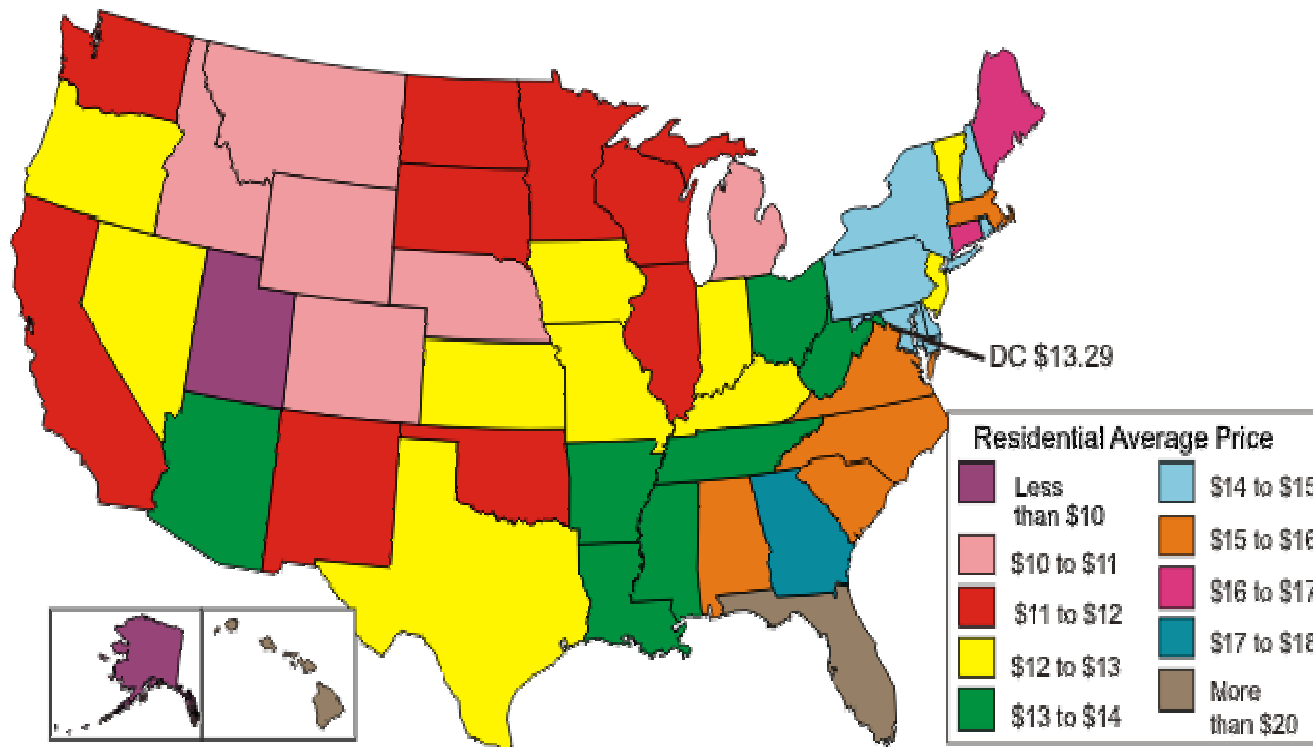
Source: ACC

Projected Total Energy Use by Source (2020)



The Natural Gas Crisis

- U.S. Natural Gas Prices continue to rise at alarming rates
 - The average residential price for natural gas in the U.S. is \$12.81 per Mcf; ten years ago it was \$3.41 per Mcf.



Source: Energy Information Administration, Natural Gas Monthly, September 2006

NATURAL GAS – Nature’s GREENEST Fuel

Natural Gas is Pro-Environment

**Fossil Fuel Emission Levels
- Pounds per Billion Btu of Energy Input**

Pollutant	Natural Gas	Oil	Coal
Nitrogen Oxides	92	448	457
Sulfur Dioxide	1	1,122	2,591
Particulates	7	84	2,744
Mercury	0.000	0.007	0.016

Source: EIA - Natural Gas Issues and Trends 1998

Clean Air: Converting 35 percent of cars and light trucks to natural gas would reduce carbon-monoxide emissions by 20 percent, sulfur dioxide by 98 percent and cut imported oil by over 2.5 million barrels a day.

Natural Gas Production is Safe

No beach or coastline has ever been damaged by natural gas.

Ultra modern high tech drilling produces natural gas **without environmental damage** as proven beyond a doubt when the Gulf hurricanes destroyed hundreds of platforms without any measurable environmental damage.

Commercial fishermen tout platform sites as their most productive fishing areas.

Natural Gas Can Be Produced Independent of Oil

Approximately 2,200 vertical gas only extraction wells have been drilled by Canada under Lake Erie since 1913, approximately 1,000 of which are currently active. Since 1959, there have been three oil spill incidents on the Canadian side of Lake Erie, of which only one was directly attributed to a drilling operation. There have been no reported oil releases from subsurface formations into overlying water during any Canadian drilling or production operations.

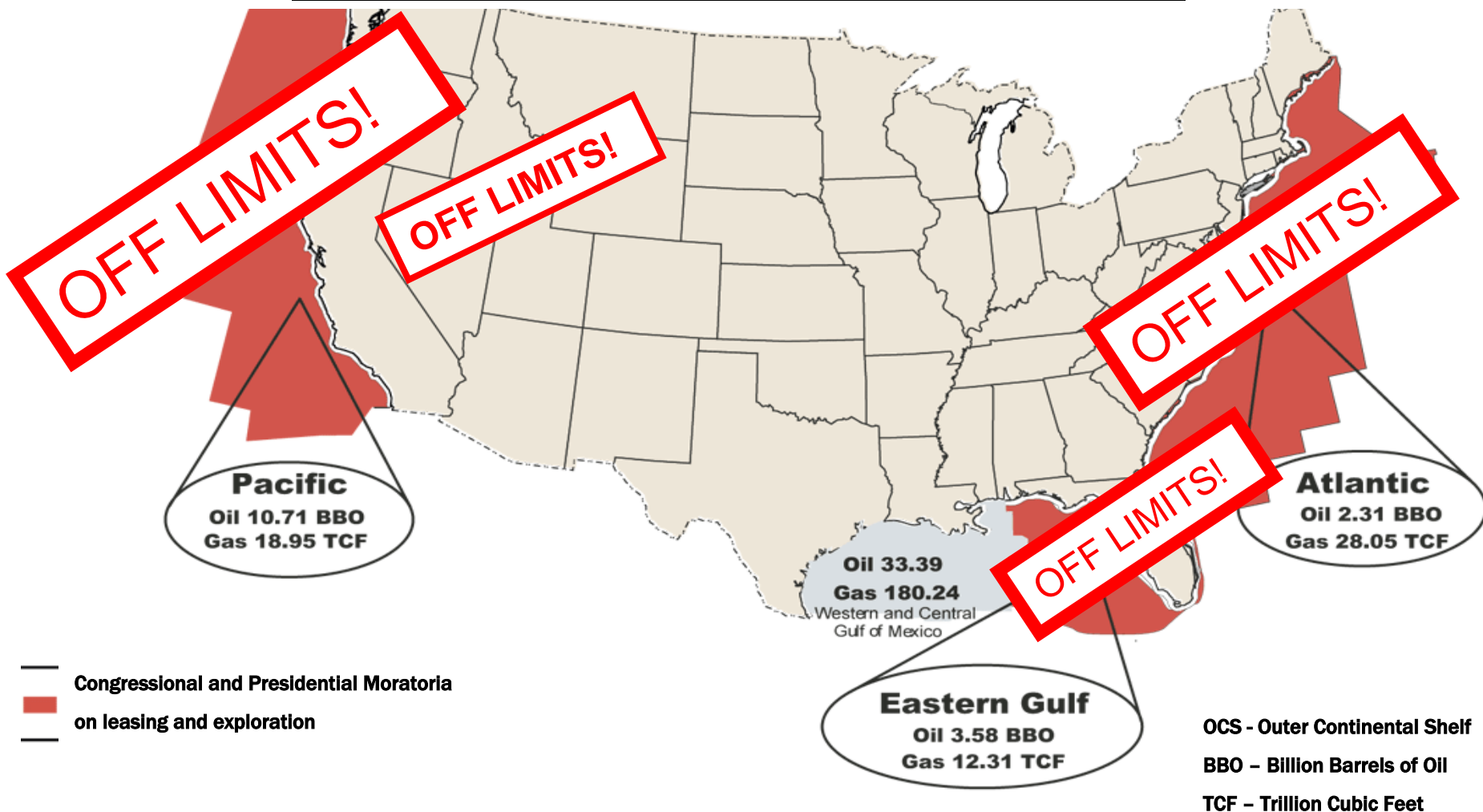
Natural Gas Production and Military Training Co-Exist Today

The Departments of Defense and Interior have a long-established record of cooperation on the issues of offshore energy exploration and military training. Decades of cooperation have resulted in neither agency ever preventing or inhibiting the other from carrying out its mission, proving that the Gulf of Mexico, Atlantic and Pacific Oceans are large enough to accommodate both responsible energy production and essential military training.

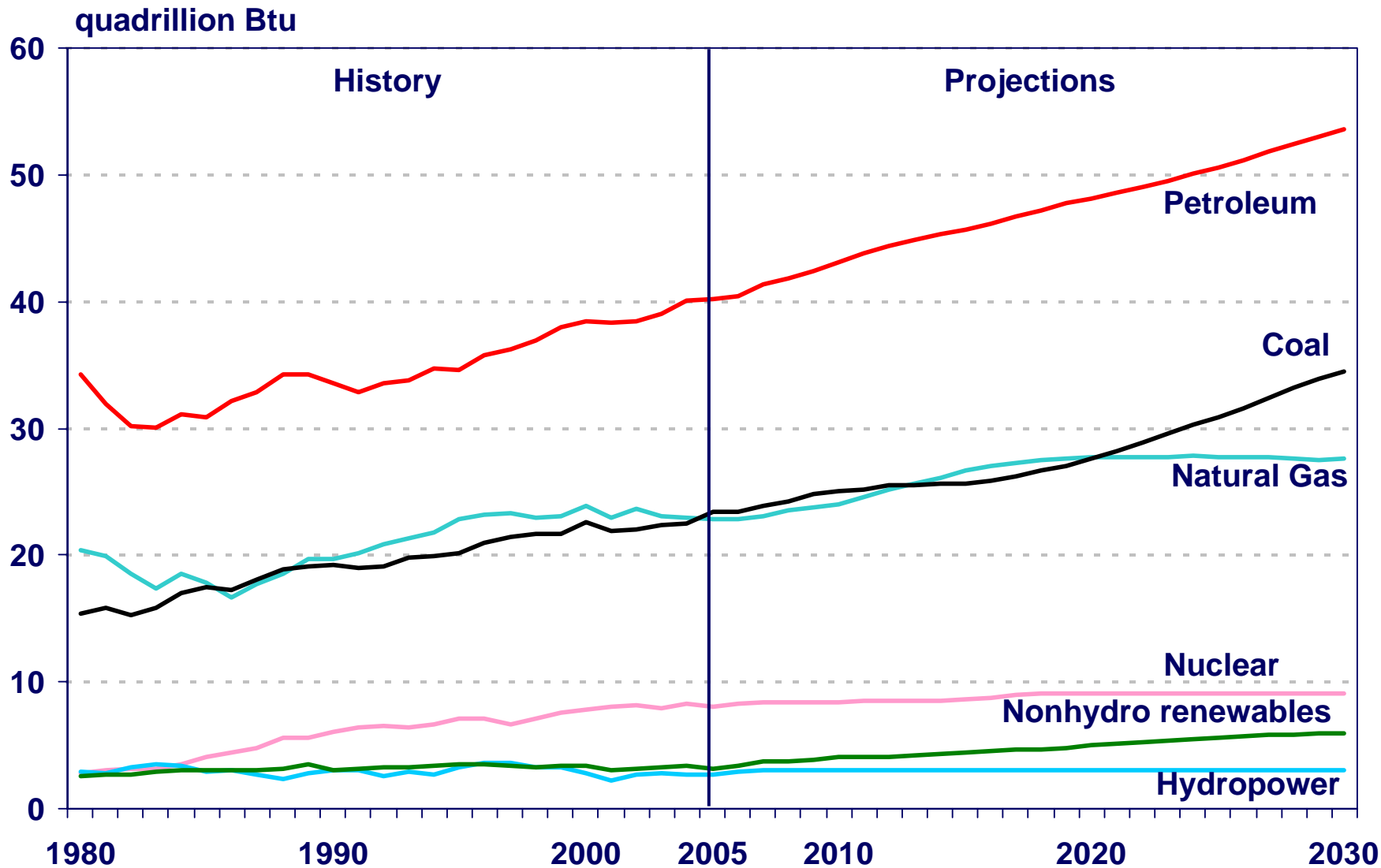
Congress has placed over 85% of our Outer Continental Shelf Off Limits

These figures represent 1970s estimates achieved with the technology available at the time.

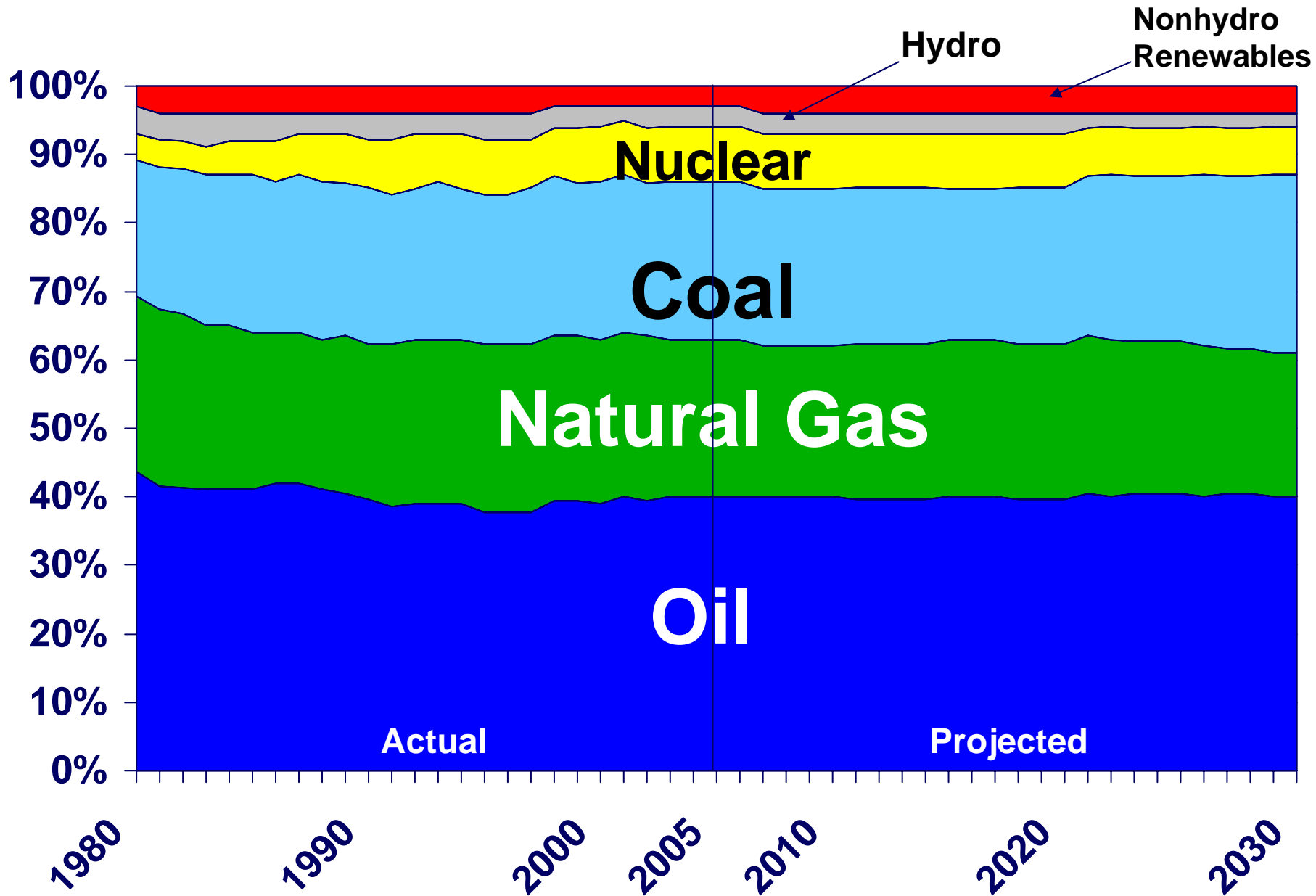
MMS now believes that more than 420 TCF of natural gas and 86 BBO are available along the OCS



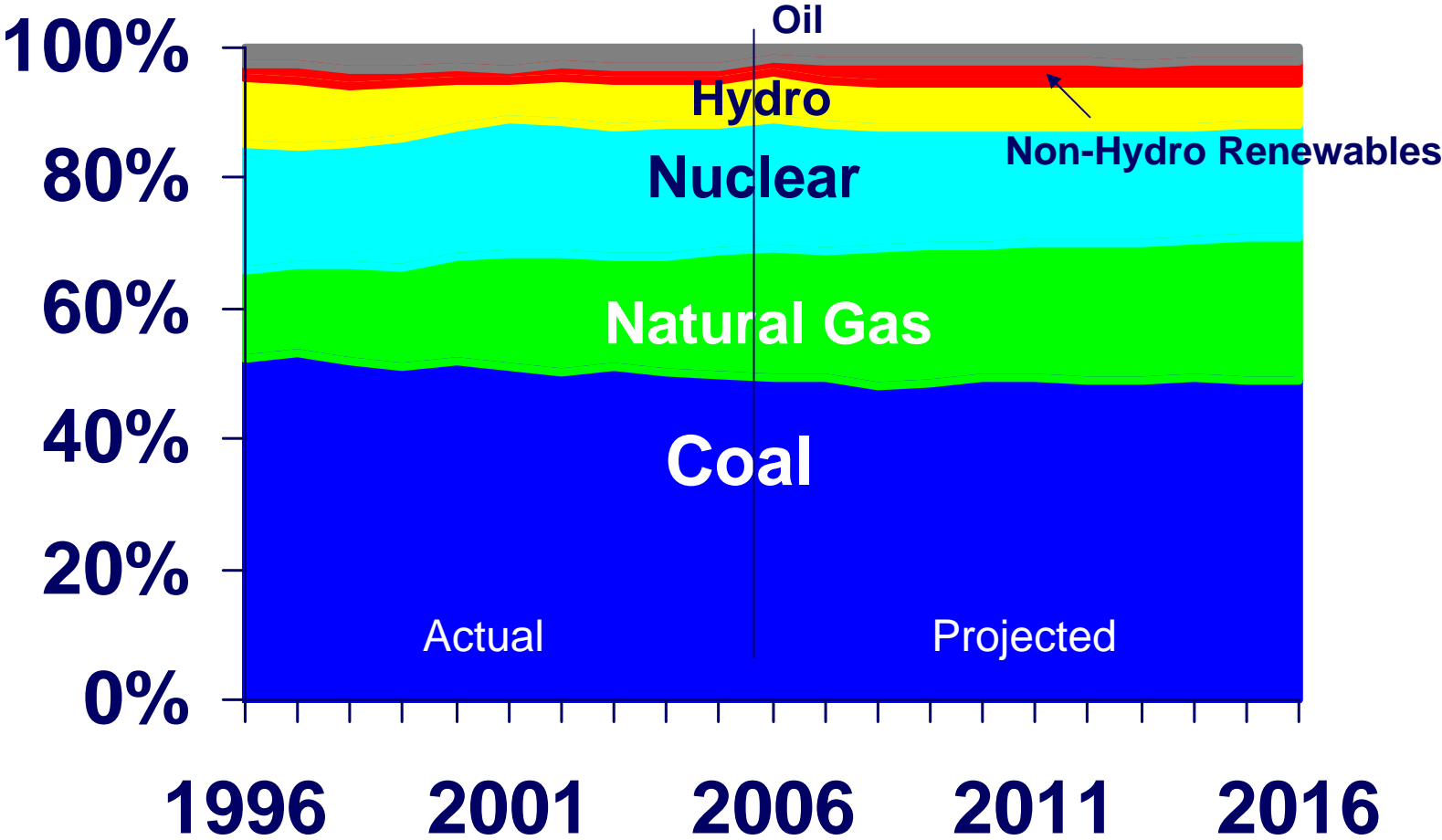
Energy Consumption by Fuel, 1980-2030



Energy Consumption by Fuel, 1980-2030



U.S. Electricity Generation By Source



American Energy Consumption by Source, 2007

