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**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

July 29, 2010

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**Taxation with Plenty of Litigation**

**CLEAR Act's \$22 Billion Energy Tax Kills American Jobs,  
Helps Foreign Oil, Costs Taxpayers Billions in Court Fees**

Dear Colleague:

The CLEAR Act imposes a new energy tax costing \$22 billion over ten years – with the taxes eventually climbing to nearly \$3 billion per year. Specifically, it creates a new \$2 per barrel of oil and 20 cents per million BTU of natural gas “conservation fee” with the revenue going towards unspecified purposes.

*“This is an energy tax that will raise energy prices for all American families and businesses, send even more American jobs overseas, and increase our dependence on foreign oil,” said Ranking Member Doc Hastings. “While the tax destroys American jobs, it will simultaneously give a competitive advantage to foreign countries since it only applies to U.S. oil and natural gas production on federal leases – not imported foreign oil. This energy tax is completely unrelated to the oil spill, will not be used to help restore the Gulf Coast and has no place being in this bill.”*

If this wasn't bad enough, the Congressional Budget Office (CBO) reveals that over \$14 billion in taxpayer dollars will be used to pay for lawsuits against this retroactive tax that violates existing contracts. **In 2016 the U.S. federal government will begin spending more in lawsuit payouts than they will be collecting from the \$2 per barrel tax.**

House Democrats are knowingly imposing a retroactive tax that will be challenged and struck down in court and are willing to put U.S. tax dollars on the hook to pay for the \$14 billion in lawsuit payouts.

While House Democrats prepare to dish out \$14 billion in taxpayer dollars, the rest of the country is still asking “where are the jobs?” A \$22 billion dollar tax on U.S. energy development will do nothing but drive up energy bills for American families and put a pink slip in the hands of thousands of hardworking people across the country.

Sincerely,

/s

Doc Hastings  
Ranking Member  
Committee on Natural Resources