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

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**Democrats' Offshore Oil Spill Bill Makes
Significant Changes to Onshore Energy Leasing**
Increases onshore energy taxes, threatens onshore energy jobs

Dear Colleague:

In yet another example of House Democrats exploiting the oil spill to pass unrelated legislation, the [CLEAR Act](#) (H.R. 3534) makes fundamental changes to **onshore** federal energy leasing. This will not only affect leasing for natural gas and oil, but also for renewable energy like wind and solar. In addition, the new \$22 billion energy tax would also apply to onshore oil and natural gas production on federal leases – penalizing onshore energy producers for an offshore oil spill.

“Targeting onshore energy production will not cleanup the offshore oil spill, but it will cost American jobs, delay American energy production and increase gas and energy prices for everyone,” said Ranking Member Doc Hastings.

Specifically, the bill removes the current leasing authority from the Bureau of Land Management (BLM) and the BLM leasing on U.S. Forest Service land and place it into the uncertain new world of three agencies that are replacing the former Minerals Management Service (MMS) – agencies whose primary purpose is oversight of **offshore** energy operations. This change is only included in the House Democrats’ bill. It’s not part of the Administration’s proposal to reorganize MMS or in Senate Majority Leader Harry Reid’s energy bill.

Even an appointee of the Obama Administration voiced opposition to this provision during a [June 17, 2010 House Natural Resources Committee hearing](#). Rep. Cynthia Lummis (WY) asked then acting MMS Director, and current BLM Director, Bob Abbey about this specific provision:

REP. LUMMIS: “Mr. Abbey, do you believe that BLM’s leasing program should be removed from BLM oversight and given to a separate agency? BLM’s leasing programs?”

ABBEY: “I do not.”

“Nearly everyone agrees that changes are necessary to ensure that offshore oil and gas operations are safe and operators are held accountable for their actions. Unfortunately, Democrats in Congress can’t take yes for an answer. Instead, they are using the oil spill as an excuse to destroy the Gulf economy by halting offshore production and fundamentally changing the way onshore oil and gas is regulated,” said Rep. Lummis. “Why should energy producers in Wyoming be forced to pay higher taxes and suffer under duplicative regulations because of an offshore oil spill in the Gulf? Instead of utilizing an all-of-the-above energy approach, H.R. 3534, the CLEAR Act, piles additional roadblocks on energy development on public lands in the

West, which is why I offered an amendment to strike out the new onshore regulations in the bill. H.R. 3534 raises taxes on U.S. energy development, which in turn kills jobs in the U.S., hikes costs for American consumers and make us more dependent on foreign countries for energy. The only thing that's 'clear' is that Democrats are dead-set on using the tragedy in the Gulf as a means to ram their agenda through at the expense of the American people."

Sincerely,

/s

Doc Hastings

Ranking Member

Committee on Natural Resources