

Congressman Tells Oil Companies To Use Already Existing Leases Or Lose The Rights To Those Acres

Washington, DC - Congressman Maurice Hinchey (D-NY) today voted for a measure he helped craft that would boost the United States' domestic oil and natural gas supply by compelling energy companies to begin drilling on the 68 million acres of land they've already leased from the federal government, but haven't touched. Hinchey said there was no need for the U.S. to open up the Arctic National Wildlife Reserve (ANWR) or more of the Outer Continental Shelf (OCS) when there are 68 million acres already made available and waiting to be drilled. Republicans in the House blocked the measure, which needed a two-thirds majority in order to pass under the special rules with which it was considered.

"All we keep hearing from Republicans is that Congress must allow energy companies to drill, drill, and drill some more on our own land in order to increase domestic production. The fact of the matter is Congress has already allowed oil companies to drill, but those companies are refusing to drill because they want to lock up as much federal land as possible and wait for oil to rise to \$200 or \$300 a barrel so that they can make even greater profits than they are making now," Hinchey said. "Why should the U.S. government continue to give away precious acres of public land to massive energy companies when they've already demonstrated that they will just sit on those acres and not produce oil in a timely fashion? Had Republicans not blocked this bill at the behest of the White House and its friends in the oil industry, we would have been able to compel oil and gas companies to begin producing on 68 million acres of federal land."

Currently, energy companies are not producing oil or gas on 68 million acres of federal land already under their control. Of the 47.5 million acres of federal land leased onshore by oil and gas companies, only about 13 million acres are actually producing oil and gas. Offshore, only 10.5 million of the 44 million leased acres are currently producing oil or gas. These unused areas could produce an additional 4.8 million barrels of oil and 44.7 billion cubic feet of natural gas each day, nearly double current domestic oil production. That would nearly double total U.S. oil production, and is more than six times the estimated potential peak production from ANWR.

The bill Hinchey voted for today, H.R. 6251, the "Use It or Lose It" bill, would have compelled the oil and natural gas industries to start drilling on the 68 million acres which they are currently warehousing, or be barred from obtaining any more federal drilling leases until they demonstrate that they are diligently developing those lands. The bill also gives companies an incentive to relinquish their non-producing leases, creating an opportunity for another company to explore and perhaps produce oil or gas from them. Under the bill, the terms of leases which are in production, or which can demonstrate diligent development, are extended.

"At the same time we continue to talk about increasing supply with more drilling, it is absolutely critical that we pay equal, if not greater, attention to the demand side of the equation," Hinchey said. "At most, the U.S. sits on only 3 percent of world's known oil reserves, yet consumes more than 20 percent of the oil on the market. Clearly, we cannot drill our way out of this mess. Any comprehensive energy plan must include strong efforts to reduce demand through greater energy efficiency. Democrats have helped pass some measures to reduce demand, but we must make much more significant strides forward. It is simply not sound energy policy to call for more drilling without making dramatic investments in solar and other renewable energy technology."

Hinchey, who is a member of the House Appropriations Subcommittee on Interior and the House Natural Resources Committee, and some of his House colleagues are also working on related legislation that would assess a fee on land which energy companies have leased but are not using for production. This fee would escalate if leases go unused over the course of several years. Revenue raised from those fees would go toward solar power and other renewable energy and energy efficiency investments, as well as the Low Income Home Energy Assistance Program (LIHEAP).