

So I look forward to working with my colleagues on the other side of the aisle with my colleagues on this side of the aisle to find a consensus that can have bipartisan support like we achieved on the farm bill to move something ahead that makes sense for the American people and gets the right answer.

With that, I urge adoption of the bill. Mr. SHAYS. Mr. Speaker, I rise today to support to H.R. 6377, the Energy Markets Emergency Act, because I believe the Commodity Futures Trading Commission, CFTC, must investigate speculation in the energy futures market and account for any manipulation and price distortion.

It is clear the increased positions of institutional investors, such as pension funds, endowments and sovereign funds, in the energy futures market are contributing to the escalating price of oil at an alarming rate. The CFTC should level the playing field and apply the 20 million barrel position limit to the institutional investors, the same limit that everyone else adheres to.

I also believe the CFTC must work with the British Financial Services Authority, FSA, to establish position limits on oil futures traded on the London Intercontinental Exchange, ICE, similar to those established by the CFTC for traders on the New York Mercantile Exchange, NYMEX.

In overseas markets, such as ICE, U.S. investors can buy as much oil as they want, driving up demand with little to no regulation.

It is essential the CFTC work with the FSA in London to limit positions and gather accurate information on the impact that speculation has on oil prices.

Rising gas prices are indicative of the United States need to affirm its commitment to renewable energy research and development, and focus on reducing our demand for oil by emphasizing conservation. In addition, however, transparency in the oil futures market is needed and appropriate.

Mr. HOLT. Mr. Speaker, I rise today in support of H.R. 6377, the Energy Markets Emergency Act of 2008.

This bill is an important first step in reaffirming the authority of the Commodity Futures Trading Commission to regulate excessive speculation in the energy futures market. There are many reasons that the cost of a barrel of oil has risen so dramatically in the last few years, including increased demand from developing nations, instability in oil-producing nations, the weakening of the dollar, and price gouging on the part of the oil companies. The recent surge in gasoline prices should serve as an urgent reminder that we immediately need to change the way that we produce and use energy.

Nonetheless, consumers should not suffer unnecessary increases in gasoline prices that don't reflect actual changes in supply and demand. I have heard from economists that excessive speculation has added anywhere between \$20 and \$60 to the price of a barrel of oil. The Bush administration has an appalling record on oversight, and they have allowed the CFTC to become powerless to regulate the commodities market. The CFTC has emergency powers at its disposal, and this bill mandates the use of this authority. In addition to curbing speculation, the CFTC must prohibit the outright fraud and abuse currently being perpetrated on the market.

Closing the loopholes that have allowed dark energy markets to flourish is just one step toward addressing our current energy crisis. I encourage my colleagues to join me in supporting this important bill.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota (Mr. PETERSON) that the House suspend the rules and pass the bill, H.R. 6377.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. GOODLATTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### RESPONSIBLE FEDERAL OIL AND GAS LEASE ACT

Mr. RAHALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6251) to prohibit the Secretary of the Interior from issuing new Federal oil and gas leases to holders of existing leases who do not diligently develop the lands subject to such existing leases or relinquish such leases, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6251

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

##### SECTION 1. SHORT TITLE.

This Act may be cited as the "Responsible Federal Oil and Gas Lease Act".

##### SEC. 2. ISSUANCE OF NEW LEASES.

(a) IN GENERAL.—After the date of the issuance of regulations under subsection (b), the Secretary of the Interior shall not issue any new lease that authorizes the exploration for or production of oil or natural gas, under section 17 of the Mineral Leasing Act (33 U.S.C. 226), the Mineral Leasing Act for Acquired Lands Act (30 U.S.C. 351 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or any other law authorizing the issuance of oil and gas leases on Federal lands or submerged lands to a person, unless the person—

(1) certifies for each existing lease under such Acts for the production of oil or gas with respect to which the person is a lessee, that the person is diligently developing the Federal lands that are subject to the lease in order to produce oil or natural gas or is producing oil or natural gas from such lands; or

(2) has relinquished all ownership interest in all Federal oil and gas leases under which oil and gas is not being diligently developed.

(b) DILIGENT DEVELOPMENT.—The Secretary shall issue regulations within 180 days after the date of enactment of this Act that establish what constitutes "diligently developing" for purposes of this Act.

(c) FAILURE TO COMPLY WITH REQUIREMENTS.—Any person who fails to comply with the requirements of this section or any regulation or order issued to implement this section shall be liable for a civil penalty

under section 109 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1719).

(d) LESSEE DEFINED.—In this section the term "lessee"—

(1) includes any person or other entity that controls, is controlled by, or is in or under common control with, a lessee; and

(2) does not include any person who does not hold more than a minority ownership interest in a lease under an Act referred to in subsection (a) authorizing the exploration for or production of oil or natural gas.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from West Virginia (Mr. RAHALL) and the gentlewoman from Oklahoma (Ms. FALLIN) each will control 20 minutes.

The Chair recognizes the gentleman from West Virginia.

GENERAL LEAVE

Mr. RAHALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RAHALL. I yield myself such time as I may consume.

Mr. Speaker, today this body is considering responsible legislation aimed at compelling the oil industry to do what it should do best, drill for oil and bring relief to Americans at the pumps.

That may seem like an odd notion, and certainly we will hear criticism from our Republican colleagues who continue to coddle Big Oil and pander to the industry's political agenda. And there are many in the industry who will not want to hear this side of the aisle say we are for drilling for oil. My approach is slightly different. Big Oil does not need to be coddled, it needs a swift kick in the backside.

While Democrats in Congress know that we cannot drill our way to energy independence and continue to advocate for the development of alternative fuels and increased energy conservation, we also know that we must increase our supply of oil in the interim. I repeat; in this legislation we are not against drilling for oil. That is why today, with this legislation, we are saying "Drill it or lose it."

The Federal Government makes vast swaths of public lands, both onshore and underlying the Gulf of Mexico, available for oil and gas development. What we are finding, however, is that the industry is stockpiling these oil and gas leases. At present, 68 million acres of Federal lands are being held by oil and gas companies with no production occurring on these leases. That acreage is equal to the size of Colorado.

Considering today's oil prices, you would think that they would either diligently develop that acreage, bring any oil found into production, or relinquish the leases. The pending legislation would require this diligent development during the term of an oil and gas lease, and if it does not occur, the

leaseholder would not be allowed to lease even more Federal lands. It's simple, "use it or lose it," and allow another company to make a go at that leased land.

Obviously, we have a much better chance to bring relief at the pump by producing oil on Federal lands already held by the oil companies much quicker than having to go through the environmental lawsuits of leasing and permitting required if we were to take the President's method and just open up OCS and ANWR immediately. We have a much better chance, Mr. Speaker, to help Americans grapple with the high cost of fuel by drilling in those Federal lands and waters already open to development.

Over 80 percent of estimated oil and gas resources on Federal lands, both onshore and offshore, are available for development or will be shortly, pending the completion of planning documents. The amount of oil which could be produced from these areas represents 14 years of current domestic oil consumption. Think about that, 14 years; yet President Bush and his Republican allies continue to rally behind the oil industry's political agenda, advocating opening more of America's Federal land, including coastal areas and pristine environmental areas, to drilling.

In response to this scheme I say to Big Oil and its allies, "You've got 'em. Use 'em."

Mr. Speaker, I reserve the balance of my time.

Ms. FALLIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in unhesitant opposition to this misguided and uninformed legislation. I hope today's debate will allow the American people to see this legislation for what it is, and that is, a sham, a shallow attempt of the majority to hide that they lack any solutions for the American energy crisis facing our Nation.

Let me start by just stating one simple fact: 97 percent of our Federal offshore areas and 94 percent of our Federal onshore areas are not leased. Now, let me just say that one more time. Ninety-seven percent of our Federal offshore areas and 94 percent of our Federal onshore areas are not even leased.

The Democrat leadership has done everything it could for the last several decades to stop the leasing in 97 percent of offshore areas and 94 percent of onshore areas since they think America's energy needs can be supplied by just 3 percent of offshore areas and 6 percent of the onshore areas. It is no wonder that America is facing an energy crisis.

Let's talk about the legislative process, too, that brings this issue to the floor today. We are debating legislation that hasn't had a hearing, it hasn't had a mark-up, no committee report, it hasn't even been opened up for an amendment, and no Member of this House but for its author has had more than 5 hours to consider this bill.

The Rules Committee even had to pass a special rule to allow this bill to come to the floor today, a rule that effectively waives all points of order against the bill, including PAYGO and earmark bans.

The bill will also cost the American people not only additional energy domestic production, but reduces revenues to the Federal Government. Yes, America, in one fell swoop, Congress will increase energy costs for American consumers and steal from the pocketbooks of American taxpayers. Is this a way to go into Independence Day and to celebrate the birth of our country?

The legislation before us is based on the premise that American oil companies are sitting on resources that they should be developing. The majority will make claims that millions of acres are not being produced. However, the reality is that every leased acre is undergoing some form of exploration, is in the process of getting permits, facing a legal challenge, or in development. They are all going through those processes for every acre.

The supporters of this misguided legislation are not offering any solutions to these challenges. There is no proposal to speed up development by reducing the waiting times for permits, limiting public challenges of leases and applications for the permits to drill, or reducing the frivolous lawsuits. In fact, last year, the Natural Resources Committee was fighting against, and I quote the chairman, "rapid oil and gas development that has taken place on our Nation's public lands in recent years," and focused on an agenda to slow, again quoting the chairman, "the rampant, nearly unfettered energy development on Federal lands."

Last year, oil companies were developing too fast. Today, Congress is attempting to punish any company that can't squeeze a 10-year exploration and permitting process into a time frame that suits the majority. We simply can't have it both ways.

One additional fact: Most of the majority leadership, including the chairman of the Natural Resources Committee, voted in 1992 to give oil companies more time to drill on onshore leases. That was done at a time when the industry actually had a higher percentage of leases in non-producing status. The majority didn't seem to mind and didn't seem to be interested in complaining about stockpiling then.

To the contrary, there was a bipartisan recognition that companies needed longer terms on their onshore leases to get more production. But these days, as production rates are higher, these same Members think that companies are stockpiling.

We have had a number of experts in this area come forward and present expertise on this issue. I would reference a letter from the Department of Interior which highlights the lengthy, complicated, and often unsuccessful process a company must undergo to develop oil and gas on Federal lands and waters.

In addition, I would like to submit for the RECORD a letter from the American Association of Petroleum Geologists, America's scientific experts on exploring for oil and gas. And their letter states, "Policies that increase exploration costs, decrease the available time to properly evaluate leases, and restrict access to Federal lands and the Outer Continental Shelf do not provide the American people with short-term relief from high prices and undermine the goal of increasing stable long-term supplies." That policy to restrict development and reduce exploration is exactly what this legislation before us will do.

What America must realize is that the true source of most non-producing acres in America is the U.S. Congress, which restricts access to almost 600 million acres of the Outer Continental Shelf. We could produce more oil from opening up 2,000 acres in ANWR than would likely be produced from all the onshore acres currently leased but not producing today, especially when you understand that much of the onshore resources are natural gas and not crude oil. If we were to open but a fraction of these acres held up by the congressional majority, we could reduce our dependence on foreign oil and create jobs right here in America. However, the majority has decided time and time again that we should limit our access to our onshore and offshore domestic resources.

The American public is up in arms against the frivolous restrictions which Congress has placed on domestic energy production. People recognize the simple fact that opening up more Federal lands and waters could lead to lower gasoline prices and they're calling on us to lead America in this direction. Congress should open up this debate and this process today and allow each side to present their very best proposals. And that's what this debate is about today.

JUNE 23, 2008.

Hon. NANCY PELOSI,  
*Speaker, House of Representatives,*  
*Washington, DC.*

Hon. STENY HOYER,  
*Majority Leader, House of Representatives,*  
*Washington, DC.*

Hon. JOHN BOEHNER,  
*Minority Leader, House of Representatives,*  
*Washington, DC.*

DEAR SPEAKER PELOSI, MAJORITY LEADER HOYER, AND MINORITY LEADER BOEHNER: Given the on-going debate about access and leasing activity on Federal onshore lands and the Outer Continental Shelf, I would like to offer some perspective, on behalf of the American Association of Petroleum Geologists, AAPG, on the science and process of finding oil and natural gas.

AAPG, an international geoscience organization, is the world's largest professional geological society representing over 33,000 members. The purpose of AAPG is to advance the science of geology, foster scientific research, promote technology and advance the well-being of its members. With members in 116 countries, more than two-thirds of whom work and reside in the United States, AAPG serves as a voice for the shared interests of energy geologists and geophysicists in our profession worldwide.

AAPG strives to increase public awareness of the crucial role that the geosciences, and particularly petroleum and energy-related geology, play in our society.

Finding and developing oil and natural gas blends science, engineering, and economics. It has distinct phases: exploration, development, and production. And it is risky, because finding oil and natural gas traps, places where oil and natural gas migrate and concentrate, buried under thousands of feet of rock is like finding the proverbial needle in a haystack. Talent and technology increase our chances of a discovery, but there are no guarantees.

What is exploration? Well, the grid pattern on a block map makes it tempting to think of exploration as a process of simply drilling a well in each grid block to determine whether it contains oil. But because of the natural variation in regional geology, one cannot assume oil and natural gas are evenly distributed across a given lease or region. Rather, exploration is about unraveling the geologic history of the rock underneath that grid block, trying to understand where oil or natural gas may have formed and where it migrated. If the geology isn't right; you won't find oil or natural gas.

Legendary geologist Wallace Pratt once observed, "Where oil is first found is in the minds of men." When preparing a lease bid, geologists use their knowledge to identify the specific areas in a region that they believe have the highest likelihood of containing oil and natural gas traps. Successful exploration begins with an idea—a hypothesis of where oil may be found.

Since exploration is about developing and testing ideas, some acreage available for leasing is never leased. That is because no one develops a compelling idea of why oil or natural gas should be there. Similarly, some acreage is leased and drilled repeatedly with no success. Then, one day, a geologist develops an idea that works, resulting in new oil or natural gas production from the same land that others dismissed as barren.

Once a lease is awarded, geologists begin an intensive assessment. They collect new geological, geophysical, and geochemical data to better understand the geology in their lease area. They use this data to construct a geological model that best explains where they think oil and natural gas were generated, where it may have been trapped, and whether the trap is big enough to warrant drilling.

If there is no evidence of a suitable trap, the explorer will relinquish the lease and walk away. If they see a trap that looks interesting, they schedule a drill rig to find out if they are right. Drilling is the true test of the geologists' model, and it isn't a decision to be made lightly. Drilling costs for a single well can range from \$0.5 million for shallow onshore wells to over \$25 million for tests in deep water offshore.

As the well is drilling, geologists continually collect and evaluate data to see whether it conforms to their expectations based on the geological model. Eventually, they reach the rock layer where they think the trap is located.

If there is no oil or natural gas when the drill reaches the trap they were targeting, they've drilled a dry hole. At this point the explorers will evaluate why the hole is dry: was there never oil and gas here; how was the geological model wrong; and can it be improved based on what they know from the drilled well? Depending on the results of this analysis, they may tweak the exploration idea and drill another well or decide the idea failed and relinquish the lease.

If there is oil and/or natural gas, they've drilled a discovery. Typically, they will test the well to see what volumes of oil and/or

natural gas flow from it. Sometimes the flow rates do not justify further expenditures and the well is abandoned. If the results are promising, they will usually drill several additional wells to better define the size and shape of the trap. All of this data improves the geological model.

Based on this revised geological model, engineers plan how to develop the new field (e.g., number of production wells to drill, construction of oil field facilities and pipelines).

Using complex economic tools, they must decide whether the revenue from the oil and natural gas sales will exceed the past and continuing expenses to decide whether it is a commercial discovery.

The process of leasing, evaluating, drilling, and developing an oil or natural gas field typically takes five to ten years. Some fields come online sooner. Others are delayed by permitting or regulatory delays or constraints in the availability of data acquisition and drilling equipment and crews. Large projects and those in deep water may require a decade or more to ramp up to full production.

As you can see, oil and natural gas exploration is not simple and it is not easy. It requires geological ingenuity, advanced technologies, and the time to do the job right. It also requires access to areas where exploration ideas can be tested—the greater the number of areas available for exploration, the higher the chance of finding oil and natural gas traps.

U.S. consumers are burdened by high crude oil prices. Conservation and efficiency improvements are necessary responses, but equally important is increasing long-term supply from stable parts of the world, such as our very own federal lands and Outer Continental Shelf.

As Congress considers measures to deal with high crude oil prices, I urge caution. Policies that increase exploration costs, decrease the available time to properly evaluate leases, and restrict access to federal lands and the Outer Continental Shelf do not provide the American people with short-term relief from high prices and undermine the goal of increasing stable long-term supplies.

I am happy to further discuss these ideas. Please contact me through our Geoscience and Energy Office in Washington, DC.

Sincerely,

WILLARD R. (WILL) GREEN

President,

American Association of Petroleum Geologists.

Mr. Speaker, because we have so many other Members who would like to speak on this bill, I would like to ask unanimous consent that we extend the debate on H.R. 6251 to an additional 10 minutes, equally divided.

I reserve the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. RAHALL. Mr. Speaker, reserving the right to object, did she say 10 minutes on each side?

Ms. FALLIN. Equally divided.

Mr. RAHALL. I have no objection.

The SPEAKER pro tempore. Without objection, each side will control 5 additional minutes.

There was no objection.

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Mr. RAHALL. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. I thank the gentleman from West Virginia, and I thank him

for his extraordinary leadership on this issue and for the legislation he's bringing out here on the House floor, especially with the gentleman from Illinois (Mr. EMANUEL) for his work on this legislation.

Mr. Speaker, right now we are facing an energy crisis. The Bush administration and Republicans in Congress are perpetuating a myth that the oil companies don't have access to enough places to drill for oil. This story is nothing more than a drilling decoy. We might as well put an aquarium out here in the well, there are so many red herrings that the Republicans are throwing into this debate about our energy independence.

Roughly 80 percent of all of the oil and gas are located in areas where drilling is already allowed, 68 million acres, 80 percent of the resources in America. So ExxonMobil, everybody in America pulling into the ExxonMobil station. They made \$40 billion last year. Do you know what they did with their \$40 billion? They put \$32 billion of it back into buying their own stock. They were drilling for profits in their own stock, not on the lands where America wants them to go to find the oil and gas, where they are already permitted.

Now, what did they do on renewables, ExxonMobil? They took \$10 million, million dollars, just millions of dollars, 10 million, and put it into renewables. Do you know what else the oil industry is doing and the Bush administration and the Republican Congress? They're blocking the tax breaks still today for renewables, for solar, for wind, for geothermal, blocking them.

So there is their agenda: Tip the consumer upside down at the pump, keep the supply of oil down because they're not drilling on the 80 percent of the land where we say they could go, even offshore, and go and drill; pocket the profits for themselves; nickle and dime renewables; and then block the tax breaks for a renewable energy revolution in America. It's a recipe for disaster. But there is no mistake why we are here. You cannot have an oil and gas President and Vice President for 8 years and not have an oil and gas strategy for America. And the price that we are paying at the pump is the price we are paying for allowing that policy to be implemented for these 8 long years.

So, ladies and gentlemen, we have 2 percent of the world's oil reserves, 2 percent. We consume 25 percent of the oil, which we consume on a daily basis. Republicans are saying let's drill off the beaches, let's drill where the polar bear is, although they are not willing today to put a penalty for the oil industry for not drilling where the 80 percent of oil is. Ladies and gentlemen, this is a big mistake.

OPEC has two-thirds of the oil in the world. That's their strength. Rather than sending a message to OPEC, we are going to innovate our way out of this with wind and solar and renewable energy sources. The Republicans are

blocking the tax breaks for that and saying give bigger profits to oil and gas, don't penalize them for not drilling for the oil and gas here in America where we have access to it, and then go home on the 4th of July and pretend as though this 8 years of Republican rule where we have gone from \$30 a barrel to \$130 a barrel is not on their watch. It is, ladies and gentlemen. We have gone from 46 percent dependence on imported oil on the day the Republicans took over Congress to 61 percent dependence upon imported oil on the day they left office 1 year ago. That's why we are in the mess that we're in right now.

The American public needs help. We need to send a message to Big Oil, to Big Gas: Start drilling. Start drilling right now or lose the leases that the American people have given you. Do not warehouse these leases. Do not warehouse the oil and gas here in America. Let's put the penalty on them. Let us no longer have the policies set by Big Oil, by Big Gas, and OPEC. Let us today declare independence from them. Let us say we are taking those leases back from you. We are taking back the American land where oil and gas is. If you don't drill on it, you lose it, and we are going to penalize you for allowing this crisis to build to the point that it has today.

Ladies and gentlemen, support the Rahall bill. This is the day where we begin to break and create our own independence from Big Oil in our country.

Ms. FALLIN. Mr. Speaker, I would like to yield 2 minutes to the gentleman from Alaska (Mr. YOUNG), our chairman.

Mr. YOUNG of Alaska. Mr. Speaker, I just witnessed one of the greatest displays of inaccuracies I have ever heard in my life.

It's too bad that the public doesn't understand that this whole bill is a charade, and I am disappointed in my chairman because there were no hearings on this. In fact, the testimony that I have heard from the majority is the reality is not real. The report is not real. And where he gets the figures about 68 million acres set aside and not utilized, I don't know. And where do they get the idea of getting 4 billion barrels?

I've just listened to the gentleman from Massachusetts' tirade. I have heard that same tirade for as long as he's been in Congress. He has never supported any energy at all, any development of energy, including nuclear. Now his people in Massachusetts are paying that price.

When I first came to Congress, we were in the minority, and the price of oil for a barrel was \$8 a barrel, 39 cents at the pump. Yes, it's high today because the Trans-Alaska Pipeline was the last big development we ever had because this Congress would not allow us to develop any other oil fields. Now, we have a big oil field in Alaska called ANWR, which is 74 miles away from

the existing pipeline that delivers 17 billion barrels to the American people, and we're not allowed to drill it because this Congress won't act.

And we have a tirade on this floor about blaming Big Oil. There's only one group that's to blame, and it's this Congress, both sides of the aisle, because it's easier to buy it from OPEC countries. And we stopped trying to figure out how we can get off the dependency. We have not done that.

Now, if we don't drill, we are going to be in trouble. I predict the price of oil, if we don't drill and start supply to this demand in the United States, the price of oil will probably go to \$150 a barrel. And that's going to be under your watch.

Are you proud of what you've done? I say no. This bill is a charade. It should be voted down, and we should vote "no, no, no, drill, drill, drill."

Mr. RAHALL. Mr. Speaker, just to remind all of my colleagues, if this administration were not playing politics with oil, why does the President not just by one stroke of the pen sign an executive order lifting these lands that the other side claims should be open? That's all it takes, a stroke of the pen to lift the moratorium on these lands for drilling. Instead, he puts a political pointer at this body.

Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. DEFAZIO).

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

THE SPEAKER pro tempore. Members are reminded to avoid remarks in the second person.

Mr. DEFAZIO. Mr. Speaker, this is a little lesson about one of the largest finds of oil in the United States. We have known about it since 1923.

In 1923 this large area of Alaska was designated as Naval Petroleum Reserve Number 4. Why? Because we knew there was a huge pool of oil under it. Estimates are the current figure is up to 15, "b," billion barrels of oil. That's a lot of oil. So the President, I believe it was President Harding at the time, designated that as a Naval Petroleum Reserve.

This little area over here, the one they don't want to talk about, was designated as a wildlife refuge. Why was that? Well, because we didn't know there was any oil under it. So the oil's here, make it an oil preserve. There's wildlife here, make it a wildlife preserve. Now they say they want to drill in the wildlife preserve, but they're kind of neglecting this one over here.

Now, it was a Naval Petroleum Reserve until 1996. In 1996 the Republican Congress voted to open it up to drilling by the oil industry. Bill Clinton signed the bill, and, in fact, the Clinton administration let the first 3 million acres of leases in the year 2000. Eight years ago the industry got 3 million acres of land leased over a pool of 15 billion barrels of oil. They have drilled 25 wells and capped them. That's it. The Bush administration is going to lease another 4 million this next year.

If we don't have this bill, maybe they'll drill some more wells and cap

them. They have no plans. Now, they say they want to drill over here. You will notice actually this area is closer to the existing pipeline than this area over here, but they want to debate this area over here with no known oil reserves and no pipeline and neglect this area over here with massive reserves and no pipeline and apparently no plans to build a pipeline.

If we pass this bill today, that will all change. They won't be able to sit on the largest single pool of oil in the United States territory anymore. They will have to begin in good faith to develop it. But guess what. The industry really doesn't want to do that because they're making a bucket of money the way it is now by pretending there's a shortage and not drilling.

Now, that's just the Alaska issue. If we go offshore and look elsewhere, as Mr. MARKEY said earlier, 80 percent, according to the United States Minerals Management Service, 80 percent of the oil and gas that's known to exist off of the Continental United States is accessible from existing leases. Unfortunately, 6,491 of those leases are sitting idle. On different days you get different excuses: "Oh, it takes a really long time." Well, if it takes a really long time, why do we want to let new leases when it's taken a really long time to develop the old leases that they're sitting on, that have known pools of oil under them? They're taking a bucket of money now. They don't want things to change; we do.

Produce American oil for America.

Ms. FALLIN. Mr. Speaker, I would like to yield 2 minutes to the gentleman from Idaho (Mr. SALI).

Mr. SALI. Mr. Speaker, I would like to include in the RECORD the letter from Assistant Secretary Allred relating to this bill that my colleague from Oklahoma referenced in her remarks.

DEPARTMENT OF THE INTERIOR,  
OFFICE OF THE SECRETARY,  
Washington, DC, June 25, 2008.

Hon. DON YOUNG,  
Ranking Republican Member, Committee on  
Natural Resources, House of Representatives,  
Washington, DC.

DEAR MR. YOUNG: Thank you for your letter of June 19, 2008, to Secretary Kempthorne regarding a recent report on oil and gas by the House Committee on Natural Resources. Secretary Kempthorne has asked me to reply.

In your letter you asked that the Department of the Interior (Department) address the report's claim that oil companies hold non-producing leases on 68 million acres which could produce 4.8 million barrels of oil and 44.7 of natural gas each day.

The report does not reference specific locations for much of the data and therefore we cannot ascertain where each of the numbers was derived. It appears the report took raw data, some of which can be found on the Department websites, and then used various formulas to reach certain conclusions. The report does not disclose the assumptions or formulas used.

The views contained in the report are based on a misunderstanding of the very lengthy regulatory process. The existence of a lease does not guarantee the discovery of, or any particular quantity of oil and gas. To

truly determine this, lessees must develop data and eventually explore their leases which requires numerous permits involving compliance with various environmental laws and regulations. This process often takes months or years. In addition, lessees undertake a vast array of business steps prior to making a decision to move a lease into production, and must obtain another set of Federal and State permits to do so. I would like to provide some background on both points.

Obtaining a lease is just the first step. The lessee must first obtain the myriad of permits and approvals for exploration activities and development plans that are required before production can occur. Exploration, which occurs after the issuance of the lease, is critical. For example, after an operator acquires an onshore lease they must obtain Geophysical Permits, Permits to Drill, Sundry Notices, and permits that may be required by State government. In addition to all necessary permits being obtained, an operator must also file a plan of development.

Development offshore is equally complex. An operator must obtain Geological and Geophysical Exploration Permits, Environmental Protection Agency National Pollutant Discharge Elimination System Permits, an Army Corps of Engineers Permit, Permits to Drill, and Marine Mammals/Endangered Species Permits. If a lessee makes the decision to move to development, in addition to the myriad of required permits, an operator must file numerous plans, including Deepwater Operations Plans, Oil Spill Response Plans, Hydrogen Sulfide Plans, Development Plans or Development Operations Coordination Documents.

While these lists are not exhaustive, they illustrate the efforts that must be undertaken before a lease can be explored and developed and production comes online. A more comprehensive list of the various permits, approvals, and other legal and regulatory prerequisites that may be required based on site specifics for both onshore and offshore production is attached for your information.

In addition to the processes mentioned above, other factors affect potential development and subsequent production. These factors include capital investments and equipment such as drilling rigs and platforms. In shallow water, approximately one in three wells results in a discovery of a quantity of oil and/or natural gas sufficient to produce economically. In deeper water, one well in five is economical. Shallow wells cost approximately \$200,000 for just the drilling. In deepwater, the drilling of one well may cost \$100 million to \$200 million. A full development project, including a platform or floater, involves multiple blocks and has cost as much as \$3.5 billion. Onshore development is less expensive. A well cost 10,000 feet or deeper well will \$2 million to \$3 million. A shallow well runs about \$200,000.

To illustrate further that a lease does not mean the discovery of oil and gas, it is important to look at the well success rates. For onshore leases, the well success rate is about 10 percent for new areas. For areas already developed, it is much higher—about 95%. For offshore, in shallow water, the success rate is about 33 percent. In deepwater it is about 20 percent.

In the Gulf of Mexico, 1132 new deep water exploration wells have been drilled since 1995, with over 170 new discoveries. While the government does conduct activities to determine resource availability, it is the private sector that funds exploration activities for more refined data and analysis on a site specific basis that can lead to production. The lengthy processes we have in place can lead to more production but it takes time to find the exact location of those resources.

In today's market, it does not make business sense for lease holders to defer or forgo

pursuing production and continue to pay rental fees. In addition to the bonus bid paid at the time of a lease being issued, lessees are required to pay rentals for leases. In Fiscal Year 2007, \$267.2 million in rental fees was collected as rent for oil and gas, coal, and other mineral leases.

If a lessee determines that leased acreage does not contain sufficient resources to produce economically, it will typically relinquish the lease, and the Federal Government is free to offer the tract at a subsequent lease sale. However, only after numerous steps are taken, and leased acreage is determined to contain economically and technologically producible oil and gas, can a lessee justify the significant investment required to bring leased acreage into producing status.

While increasing the productivity of already leased land is important, to ensure our country's future security and economic well being we need to open new areas for development. The lengthy processes we have in place, which can lead to more production, means that we need to look to new areas. We cannot ignore that the world's demand for oil has grown dramatically. Meanwhile, the supply of oil has grown much more slowly. As a result, oil prices have risen sharply, and that increase has been reflected at American gasoline pumps.

Sincerely,

C. STEPHEN ALLRED,

*Assistant Secretary,*

*Land and Minerals Management.*

Attachments.

#### PLANS AND PERMITS REQUIRED ON OCS

The number of required plan and permit approvals is on the order of 25 to 30. The reason for a range is that the specific lease holder may not file for certain permits on their own. For example, they may not file for a G&G (geological/geophysical) permit but it is certain that no lease holder will move forward without geophysical data to guide them. They may obtain sufficient data from a third party that acquired under their own speculative permit with the intention to sell the information to successful lease bidders. Additionally, there may be supplemental plans filed to cover changes in assumptions based on newer information and other steps that not all lessees will need to file. The overview of MMS regulations is at [http://www.gomr.mms.gov/homepg/regulate/regs/reg\\_sum.html](http://www.gomr.mms.gov/homepg/regulate/regs/reg_sum.html) with a discussion of the plans and permits at [http://www.gomr.mms.gov/homepg/regulate/regs/laws/env\\_safe.html#perapp](http://www.gomr.mms.gov/homepg/regulate/regs/laws/env_safe.html#perapp). Following is a fairly complete list of the plans and permits that a lessee may have to file to bring a lease to production:

#### LIST OF TYPICAL PLANS AND PERMITS REQUIRED TO BRING A LEASE TO PRODUCTION

- Oil and Gas Lease.
- Geological and Geophysical Exploration permit.
- Exploration Plan.
- Coast Guard Compliance review for mobile drilling units.
- Oil Spill Response Plan.
- Oil Spill Financial Responsibility.
- Hydrogen Sulfide Plan (some locations).
- Coastal Zone Management Consistency Determination (Exploration).
- Army Corps of Engineers Permit (Navigation and National Security).
- EPA National Pollutant Discharge Elimination System Permit.
- EPA Air Emissions Permit (some locations).
- Marine Mammals/Endangered Species permits from NOAA or FWS (some locations).
- Application for Permit to Drill (exploratory wells).
- Application for Permit to Modify (any changes in drilling program).

Application for Permit to Modify (to plug and abandon exploration wells).

Deepwater Operations Plan (for some locations).

Conservation Information Document (for some locations).

Coast Guard Structural Review (for floating production systems).

Certified Verification Agent Review (for some locations).

Development Plan or Development Operations Coordination Document (depending on location).

Pipeline Right-of-Way. Coastal Zone Management Consistency Determination (Development).

Application for Permit to Drill (development wells).

Application for Permit to Modify (any changes in development drilling program).

Application for Permit to Modify (to plug and abandon development wells).

Platform Removal Application.

Pipeline Decommissioning Application.

#### PERMITS, PLANS, AND SURVEYS FOR DEVELOPMENT OF AN OIL AND GAS LEASE ON-SHORE

##### BLM PERMITS, PLANS, AND SURVEYS

Geophysical Exploration Permit—Notice of Intent; Notice of Completion—(Required if the operator chooses to conduct this optional activity) Purpose: Allows exploration for oil and gas resources on Federal lands.

National Environmental Policy Act (NEPA) Review—Environmental review may consist of review and documentation through a Determination of NEPA Adequacy (DNA), Categorical Exclusion (CX), Environmental Assessment (EA), or Environmental Impact Statement (EIS). (May be completed by the BLM or the Operator to BLM standards. The BLM signs the Decision).

Land Use Plan Conformance—Project evaluated to ensure it is in conformance with the BLM's land use plan.

Surveys—(Completed by the BLM or the Operator.)

Cultural Survey—Almost always required. Almost always completed through an operator-funded contract with a cultural survey contractor that has been approved by the BLM. May involve consultation with the State Historic Preservation Officer.

Wildlife Surveys—Frequently required. May be completed by the BLM or the operator to BLM standards.

Endangered Species Act Consultation—only required when endangered species may be affected by the project.

Tribal Consultation—May occur at the Planning or Permitting stage in areas where Indian tribes have historically used an area or have expressed an interest in proposed projects.

Oil and Gas Lease—(Required) Conveys a basic right to develop oil and gas from Federal Mineral estate pending approval of additional site-specific permits.

Land Use Plan Conformance—The proposed lease is evaluated to ensure it is in conformance with the BLM's land use plan.

Tribal Consultation—May occur at the leasing stage if not current in the land use plan.

Endangered Species Act Consultation—May occur at the leasing stage if not current in the land use plan and there are endangered species present.

Communitization/Unitization Approval—(Some Locations) Creates management units to improve development efficiency.

Plan of Development—(If operations are located within a unit agreement) Creates a development management plan for the Unit.

Application for Permit to Drill (APD)—(Required) Contains the operator's proposed

drilling and surface use plans and any additional permit requirements added by the BLM. The BLM may also require Cultural and Wildlife surveys.

National Environmental Policy Act (NEPA) Review—Environmental review may consist of review and documentation through a Determination of NEPA Adequacy (DNA), Categorical Exclusion (CX), Environmental Assessment (EA), or Environmental Impact Statement (EIS). (May be completed by the BLM or the Operator to BLM standards. The BLM signs the Decision.)

Land Use Plan Conformance—Project evaluated to ensure it is in conformance with the BLM's land use plan.

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Endangered Species Act Consultation—only required when endangered species may be affected by the project.

Tribal Consultation—May occur at the Planning or Permitting stage in areas where Indian tribes have historically used an area or have expressed an interest in proposed projects.

Sundry Notice—(Required) Notifies the BLM of the operator's proposed changes to the APD.

Approval and/or Review—In limited cases may involve NEPA, Cultural, Wildlife, ESA reviews and consultation.

Hydrogen Sulfide Plan—(Required if the poison gas may be encountered) Plans for protection of public health land safety in the event of a hydrogen sulfide leak.

Right-of-Way Grant—(Required for any development that occurs off the lease area.) Provides legal access for roads, pipelines, and powerlines.

National Environmental Policy Act (NEPA) Review—Environmental review may consist of review and documentation through a Determination of NEPA Adequacy (DNA), Categorical Exclusion (CX), Environmental Assessment (EA), or Environmental Impact Statement (EIS). (May be completed by the BLM or the Operator to BLM standards. The BLM signs the Decision.) Usually completed in conjunction with the APD NEPA analysis.

Land Use Plan Conformance—Project evaluated to ensure it is in conformance with the BLM's land use plan.

Surveys—(Completed by the BLM or the Operator.)

Cultural Survey—Almost always required. Almost always completed through an operator-funded contract with a cultural survey contractor that has been approved by the BLM. May involve consultation with the State Historic Preservation Officer.

Wildlife Surveys—Frequently required. May be completed by the BLM or the operator to BLM standards.

Endangered Species Act Consultation—only required when endangered species may be affected by the project.

Tribal Consultation—May occur at the Planning or Permitting stage in areas where Indian tribes have historically used an area or have expressed an interest in proposed projects.

#### OTHER FEDERAL, STATE, OR LOCAL PERMITS AND PLANS

Air Emission Permit—(May be required by State).

National Pollutant Discharge Elimination System Permit—(May be required by the State or EPA).

Section 404 Permit—(May be required by the Army Corp of Engineers if the project would potentially dredge or fill waters of the U.S.).

Storm Water Prevention Plan—(Required in some States).

UIC Permit—(Required for Class II wells—water disposal or reinjection).

Spill Prevention Countermeasure Control Plan—This is a permit required by EPA when oil and gas activities have the potential to impact waters of the United States.

Mr. Speaker, the justification for this legislation is a report from Democrats on the Natural Resources Committee, and in that report the conclusion is reached: "We can estimate that the 68 million acres of leased but currently inactive Federal land and waters could produce an additional 4.8 million barrels of oil and 44.7 billion cubic feet of natural gas each day."

Mr. Speaker, may I ask that the gentleman controlling the time on the other side be yielded time to respond to a question?

Mr. RAHALL. Sure. If the gentleman will yield, I will be happy to answer the question.

Mr. SALI. I understand that the Department of the Interior has issued a letter saying that they don't agree with the assumptions of your report.

Can you name a single professional organization or government agency that has told you that they agree with the assumptions or calculations used to reach the conclusion that I have just read from the report?

Mr. RAHALL. Our Committee on Natural Resources has extrapolated out the figures from current production on Federal lands, those figures coming from the Energy Administration, the same department that the administration uses.

Mr. SALI. Reclaiming my time, Mr. Speaker, the answer to that question is "no." There is no professional group or government agency that agrees with those assumptions.

In his opening remarks, the good chairman said we must "increase our supply" of crude oil and that the answer to our energy needs in the short term is to increase American production.

Then why aren't we voting on that today? The fact is that the assumptions that this bill is premised on are false and that there will be no increased production from this bill.

Congress is to blame for the shortage of American production today, and this is having a real impact on people. There's a gal who is a certified nursing assistant in Boise, Idaho, who's taking care of my mother and my younger sister in a nursing home.

The SPEAKER pro tempore. The gentleman's time has expired.

□ 1330

Ms. FALLIN. I yield the gentleman 30 seconds.

Mr. SALI. Mr. Speaker, this young lady, who's a CNA, last week took her husband's bicycle and a few other items to a pawn shop to get \$37 so she

could put gas in her car to go to work at this nursing home to take care of my mother and my sister. This is having a horrendous impact on real life people.

Mr. Speaker, it's time for partisanship to be put aside. It's time for Congress to get to the real answer, which is increasing American production.

Mr. RAHALL. Mr. Speaker, I yield 2 minutes to the gentlelady from California (Mrs. CAPPS).

Mrs. CAPPS. I thank my colleague for yielding.

I rise in strong support of this legislation. The oil and gas companies, awash in profits, would have us believe they have nowhere to drill. That's just plain wrong. It is the Bush administration which acknowledges that 80 percent of our oil and gas reserves are in areas where drilling is already allowed. The industry is sitting on nearly 70 million acres of public lands where it could be drilling, but isn't. The oil and gas industry already owns drilling rights to more than 6,000 untapped leases in the Gulf of Mexico.

If the industry is so eager to produce more oil and gas, it should get to it. We don't need to open more lands to drilling, when industry is dragging its feet on producing where it already could.

Mr. Speaker, this recent push by President Bush and Senator McCain to open up the rest of our coast to offshore drilling is a ruse. It's not about lowering gas prices today, or even in the future.

In response to the previous statement, yesterday Guy Caruso, head of the Bush administration's Energy Information Agency, said the following about the impact of new drilling, and I quote, "It would be a relatively small effect because it would take such a long time to bring those supplies on. It doesn't affect prices that much."

This push for new coastal drilling is really just a last-ditch effort to get rid of barriers to drilling everywhere before the Bush administration leaves office. It's an attempt for favored special interest to oil companies to get one more favor from its friends. And the high gas prices Americans are now paying offers the perfect cover.

I urge my colleagues to call this industry's bluff. If Big Oil wants to drill on public lands, it can do so now. Please vote for this legislation that tells the industry to use it or lose it.

Ms. FALLIN. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. CONAWAY).

Mr. CONAWAY. My first reaction to reading this bill was how could 236 Members of Congress on the Democratic side, their legions of staff, and their hired guns, know so little about a fundamental industry like we've got that they would think that these exploration companies would invest millions and, in some instances, billions of dollars of shareholder equity and debt and lease bonus payments, regulatory compliance and bureaucratic compliance costs, geological and geophysical



costs, drilling and exploration expenditures, production facilities, to then sit on these generally unsalvageable investments and not produce oil and natural gas, which is the only way to recover these investments and make a profit.

This chart, Mr. Speaker, shows a 14-year timeline of the typical exploration in the Gulf of Mexico. It is a difficult process to get through. There are some 27 bureaucratic steps that we go through. This legislation today will add another ongoing step that these companies will have to comply with.

My colleagues here on the other side of the aisle know this discourages exploration. It fits in with their overall attempt to continue to keep gasoline prices high. It is one more dagger in the heart of the American lifestyle that has been developed since World War II that has centered on reasonable gasoline.

Defeat this bill.

Mr. RAHALL. Mr. Speaker, the gentleman has not even read the bill. If everything he says on that chart is true, that is due diligence. The companies get to hold their lease, under this legislation.

I am very glad to yield 2 minutes to a member of our Appropriations Committee, the distinguished gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Anyone who thinks back just a few years would remember how this administration and the Members of the Congress who were so complicit with them has been able to falsify information and get this country into such deep trouble. The situation in Iraq has got to come to mind. All of the deep problems we have there, based upon the falsification of information. That is what we are seeing here again, falsification of information.

The Republicans are alleging that no one wants the oil companies to be able to drill for oil offshore when the fact of the matter is that the oil companies already have leases on 68 million acres, half offshore, half on the dry land of this country, and they are not using those 68 million acres.

So what the Republicans want to do, at the request of this White House, is to continue to do what this administration has been doing since the meeting of Dick Cheney with the heads of the big oil companies in this country to continue to have an energy policy that is not in the interest of America but in the interest of the big oil companies.

What they want them to do is to be able to get more land, more land, more public land, and hang on to that public land and not produce anything on it.

What we are saying in this bill is use it or lose it. You already have the leases on 68 million acres of public land. Start using it. You want to drill, start drilling. We want you to drill. Drill on the leases that you already have. Don't pretend that you have nothing on which you can drill. You have 68 million acres.

What the Republicans want to do is just put more public land in the hands

of the oil companies so that they can more completely and over a longer period of time control all of the energy resources, oil and natural gas, that the people of our country own and possess. They want the oil companies to possess them for long periods of time, not to use them. They are not drilling on what they have.

So pay attention to this bill, and vote for it. Use it or lose it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to direct their remarks to the Chair.

Ms. FALLIN. Mr. Speaker, I'd like to yield 1 minute to the gentlelady from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. Today, we are considering a bill to make something the law that is already the law. The majority claims it is necessary to force energy exploration companies to either use or lose leases they hold. However, use it or lose it is already the law. The Secretary of the Interior can already cancel a lease if the lessee fails to comply with the terms. Federal leaseholders are already required to produce oil and/or natural gas within 5 to 10 years of beginning the lease.

By blocking some firms from competing for new leases, this legislation could further increase gas prices that are already exceeding \$4 per gallon. This is frustrating because I believe West Virginians would rather see us take up legislation that will actually lead to a new and more forward-thinking energy policy rather than waste time passing legislation that is already on the books. That means new exploration, coal-to-liquids, and renewables.

If this is the best the majority can do, is to restate current law, that's fine. But I think most Americans and West Virginians understand that the time has come for a more serious and comprehensive debate on this issue. That's what they deserve.

Mr. RAHALL. I'm glad my colleague from West Virginia answered the previous speaker on the Republican side and explained the bill. But let me further clarify what the bill does and does not do, and current law.

Currently, the law allows leaseholders 10 years to develop oil or gas. Our bill used to cut it down to 5 years. We have now upped it back up to the 10 years to try to satisfy some of the critics concerned with this legislation. Yet, they are still not pleased, of course.

Existing leases can be cancelled if leaseholders fail to comply with lease provisions, such as public safety and environmental requirements. Yet, there's no law or regulation that requires diligent development on Federal oil and gas leases. That is what we are doing here, is requiring this due diligence. As long as the leaseholders paid the required annual rental fee, the government cannot compel diligent development of the leased lands.

Our bill requires oil and gas operators to diligently develop oil and gas

leases, as is currently required of coal leaseholders, I might remind my colleague from West Virginia. We had this same regime in place for Federal coal leasing. It was put in place when coal was in its boom days.

What we are doing for oil and gas now is what we have done with coal and other commodities that are produced on the land that the people of the United States own.

Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. YARMUTH).

Mr. YARMUTH. I thank my colleague.

Mr. Speaker, I rise today in favor of legislation that would pressure the oil companies to drill, and drill now. In my hometown of Louisville, people are struggling to pay more than \$4.20 for a gallon of gas. While they search for a way to make ends meet, a few multinational corporations hold the answers: Permits to drill over 60 million acres of oil and gas reserves today.

These existing leases could double U.S. oil production. But the oil companies don't want more land to drill, they want more land to control, which keeps oil off the market and gas prices high. After all, high gas prices have made them the richest companies in the history of the world.

Instead, they demand the Arctic National Wildlife Refuge, presumably so they cannot drill there too. Even this oil-friendly White House admits that drilling the wildlife refuge won't affect the price of gas for more than 20 years, and then, only by a couple of pennies.

Mr. Speaker, the American people's problems are measured in dollars, not pennies, and they can't wait until 2030. I urge my colleagues to pass this legislation and get American oil into the market as soon as possible.

Ms. FALLIN. Mr. Speaker, what time remains for each side?

The SPEAKER pro tempore. The gentlewoman from Oklahoma has 11½ minutes remaining. The gentleman from West Virginia, 6½.

Ms. FALLIN. Mr. Speaker, I'd like to yield 1 minute to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. The Democrats claim there's 68 million acres of energy-rich lands that companies are refusing to explore. Sixty-eight million acres. Really. So name one. Name an acre of land where vast reserves of oil are underground and a company refuses to explore.

I will open the mike. One acre. Any takers?

Mr. RAHALL. If the gentleman will yield.

Mr. BRADY of Texas. Absolutely.

Mr. RAHALL. We have these maps that are identified, that we have shown.

Mr. BRADY of Texas. Well, bring down the map and identify an acre and tell us how much oil is underground and who has refused to drill.

Mr. RAHALL. Would the gentleman tell us the same about the OCS, where

the President is proposing to lift this moratorium?

Mr. BRADY of Texas. Do you have an acre you can point to?

Mr. RAHALL. Yes, we do. We will bring it in. Right here.

Mr. BRADY of Texas. That's what I thought. This bill is a shame and an insult to families who are trying to pay their gas bills.

Mr. RAHALL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. ISRAEL).

Mr. ISRAEL. I thank my friend from West Virginia.

Mr. Speaker, if I were a football coach and I had been calling a play for 7 years and I actually lost yardage, I'd change the play.

Our friends on the other side, Mr. Speaker, they don't want to change the play. They want to keep the same plays that have been losing yards and money for the American people for the past 7 years.

In the spring of 2001, Vice President CHENEY had this meeting with the oil and gas industry to create a new energy policy for America. Then, the cost of a barrel of oil was \$23. Now the cost of a barrel of oil is \$139. The policy did not work.

Then, the average price of gasoline was \$1.46 a gallon. Today, the average price of a gallon of gasoline on Long Island is \$4.31 a gallon. It tripled.

The policy didn't work. In all that time, oil and gas companies could have drilled on the properties which they have leases to. They didn't do it.

Mr. BOUSTANY. Will the gentleman yield?

Mr. ISRAEL. I will not yield. I only have a little bit of time.

They did not do it. Now what we're saying is we have got to try something new because what was tried before, didn't work. We need a change in policy. So what we are saying to the oil companies is use it or lose it. Drill what you have the right to drill, explore where you have the right to explore, and if you're not willing to do that, we will find somebody who can.

It's time to put the sound bites aside and give real relief to the American people. The fact of the matter is that the policies that have been tried, have failed. I am not saying that anybody has committed wrongdoing, I am just saying that they have pursued the wrong policies.

The right policy is to put the American people's pocketbooks ahead of the oil company profits. Use it or lose it. That's what we are doing today.

Ms. FALLIN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. UPTON).

Mr. UPTON. Mr. Speaker, nobody likes these high prices, and I think most folks understand the law of supply and demand. Worldwide, this last year, we pumped 126,000 fewer barrels of oil and we used a million barrels more each day.

We have said no to ANWR, we have said no to tar sands, we've said no to

oil shale, we've said no to nuclear. Sierra Club, I'm told, has opposed solar in California. This Congress has not extended R&D for renewables. Yet, 85 percent of our offshore sites are off-limits.

□ 1345

I would like to put a letter that I received a copy of from the American Association of Petroleum Geologists into the RECORD that was sent to the Speaker. They conclude that policies that increase exploration costs, decrease the available time to properly evaluate leases and restrict access to Federal lands in the OCS do not provide the American people with short-term relief from high prices and undermine the goal of increasing stable long-term surpluses.

We can't waive a magic wand and say here it is. If you say 5 years, but you still require some 27 different environmentally-mandated permits that are required, with no shortening of the time that it takes to get those permits approved, you are not succeeding. In effect, what you are doing is telling the companies to go look someplace else. They are not going to look in America. They are going to look someplace else, because they may not have to comply with these same 25 different regulations that you have to comply with in this country. You can't just say 5 years, without shortening that process.

Now, I am sorry that I didn't talk to Mr. DEFAZIO before I used that chart, but he cited I think a Shell development in Alaska that doesn't have access yet to the pipeline that takes that oil down through to the bottom of Alaska. Without the pipeline permits, they have to cap the wells.

AMERICAN ASSOCIATION OF  
PETROLEUM GEOLOGISTS,  
June 23, 2008.

Hon. NANCY PELOSI.

*Speaker, House of Representatives, Washington, DC.*

Hon. STENY HOYER.

*Majority Leader, House of Representatives, Washington, DC.*

Hon. JOHN BOEHNER.

*Minority Leader, House of Representatives, Washington, DC.*

DEAR SPEAKER PELOSI, MAJORITY LEADER HOYER, AND MINORITY LEADER BOEHNER: Given the on-going debate about access and leasing activity on federal onshore lands and the Outer Continental Shelf, I would like to offer some perspective, on behalf of the American Association of Petroleum Geologists (AAPG), on the science and process of finding oil and natural gas.

AAPG, an international geoscience organization, is the world's largest professional geological society representing over 33,000 members. The purpose of AAPG is to advance the science of geology, foster scientific research, promote technology and advance the well-being of its members. With members in 116 countries, more than two-thirds of whom work and reside in the United States, AAPG serves as a voice for the shared interests of energy geologists and geophysicists in our profession worldwide.

AAPG strives to increase public awareness of the crucial role that the geosciences, and particularly petroleum and energy-related geology, play in our society.

Finding and developing oil and natural gas blends science, engineering, and economics.

It has distinct phases: exploration, development, and production. And it is risky, because finding oil and natural gas traps, places where oil and natural gas migrate and concentrate, buried under thousands of feet of rock is like finding the proverbial needle in a haystack. Talent and technology increase our chances of a discovery, but there are no guarantees.

What is exploration? Well, the grid pattern on a block map makes it tempting to think of exploration as a process of simply drilling a well in each grid block to determine whether it contains oil. But because of the natural variation in regional geology, one cannot assume oil and natural gas are evenly distributed across a given lease or region. Rather, exploration is about unraveling the geologic history of the rock underneath that grid block, trying to understand where oil or natural gas may have formed and where it migrated. If the geology isn't right, you won't find oil or natural gas.

Legendary geologist Wallace Pratt once observed, "Where oil is first found is in the minds of men." When preparing a lease bid, geologists use their knowledge to identify the specific areas in a region that they believe have the highest likelihood of containing oil and natural gas traps. Successful exploration begins with an idea—a hypothesis of where oil may be found.

Since exploration is about developing and testing ideas, some acreage available for leasing is never leased. That is because no one develops a compelling idea of why oil or natural gas should be there. Similarly, some acreage is leased and drilled repeatedly with no success. Then, one day, a geologist develops an idea that works, resulting in new oil or natural gas production from the same land that others dismissed as barren.

Once a lease is awarded, geologists begin an intensive assessment. They collect new geological, geophysical, and geochemical data to better understand the geology in their lease area. They use this data to construct a geological model that best explains where they think oil and natural gas were generated, where it may have been trapped, and whether the trap is big enough to warrant drilling.

If there is no evidence of a suitable trap, the explorer will relinquish the lease and walk away. If they see a trap that looks interesting, they schedule a drill rig to find out if they are right. Drilling is the true test of the geologists' model, and it isn't a decision to be made lightly. Drilling costs for a single well can range from \$0.5 million for shallow onshore wells to over \$25 million for tests in deep water offshore.

As the well is drilling, geologists continually collect and evaluate data to see whether it conforms to their expectations based on the geological model. Eventually, they reach the rock layer where they think the trap is located.

If there is no oil or natural gas when the drill reaches the trap they were targeting, they've drilled a dry hole. At this point the explorers will evaluate why the hole is dry: was there never oil and gas here; how was the geological model wrong; and can it be improved based on what they know from the drilled well? Depending on the results of this analysis, they may tweak the exploration idea and drill another well or decide the idea failed and relinquish the lease.

If there is oil and/or natural gas, they've drilled a discovery. Typically, they will test the well to see what volumes of oil and/or natural gas flow from it. Sometimes the flow rates do not justify further expenditures and the well is abandoned. If the results are promising, they will usually drill several additional wells to better define the size and shape of the trap. All of this data improves the geological model.



Based on this revised geological model, engineers plan how to develop the new field (e.g., number of production wells to drill, construction of oil field facilities and pipelines).

Using complex economic tools, they must decide whether the revenue from the oil and natural gas sales will exceed the past and continuing expenses to decide whether it is a commercial discovery.

The process of leasing, evaluating, drilling, and developing an oil or natural gas field typically takes five to ten years. Some fields come online sooner. Others are delayed by permitting or regulatory delays or constraints in the availability of data acquisition and drilling equipment and crews. Large projects and those in deep water may require a decade or more to ramp up to full production.

As you can see, oil and natural gas exploration is not simple and it is not easy. It requires geological ingenuity, advanced technologies, and the time to do the job right. It also requires access to areas where exploration ideas can be tested—the greater the number of areas available for exploration, the higher the chance of finding oil and natural gas traps.

U.S. consumers are burdened by high crude oil prices. Conservation and efficiency improvements are necessary responses, but equally important is increasing long-term supply from stable parts of the world, such as our very own federal lands and Outer Continental Shelf.

As Congress considers measures to deal with high crude oil prices, I urge caution. Policies that increase exploration costs, decrease the available time to properly evaluate leases, and restrict access to federal lands and the Outer Continental Shelf do not provide the American people with short-term relief from high prices and undermine the goal of increasing stable long-term supplies.

I am happy to further discuss these ideas. Please contact me through our Geoscience & Energy Office in Washington, D.C. at 202-684-8225 or 202-355-3415.

Sincerely,

WILLARD R. (WILL) GREEN,

*President.*

Mr. RAHALL. Mr. Speaker, I yield 30 seconds to the gentleman from Oregon (Mr. DEFAZIO) to reply.

Mr. DEFAZIO. The former Naval Petroleum Reserve has 15 billion barrels of oil under it. It was leased by President Bill Clinton in 1998. There is no pending lengthy application process for the pipeline. They have no plans to connect to the pipeline.

Mr. UPTON. Mr. Speaker, would the gentleman yield?

Mr. DEFAZIO. Certainly, whatever time I have left.

Mr. UPTON. If the gentleman would yield, it is my understanding that they haven't been able to conclude the permits that would link those oil discoveries.

Ms. FALLIN. Mr. Speaker, I would like to yield 2½ minutes to the gentleman from Texas (Mr. GENE GREEN) in bipartisan opposition to the bill.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise not necessarily in opposition to H.R. 6251. It is difficult to support or oppose something that is already current law. We already have use-it-or-lose-it. We have 10-year leases in this bill. That is what the law is.

Americans need Congress to look at real solutions in addressing energy

needs, especially when we have \$4 a gallon gas. We need answers, and not just slogans. We cannot drill our way to energy independence, we can't conserve our way, and we surely can't use alternatives to have energy independence. We need to do it all.

The legislation before us today was introduced a week ago with no committee hearings, no markups. And they raise a valid question: Are people really sitting on oil leases and not producing?

Now, there may be reasons for it, like there are not permits allowed to get it from the Navy Petroleum Reserve. I know in the Outer Continental Shelf, which I am real familiar with because it is off of Texas, a lot of those leases can't produce because there are no resources on it, but they still have that lease for 10 years.

Let me tell you, with \$140 a barrel oil, everybody wants to drill everywhere that you can. But we already have 10-year leases. In fact, I would like to include for the RECORD a copy of a current lease that is from Minerals Management on section 4, diligence and rate of development. We already have a diligence requirement in the 10 year leases that are there.

What we need to do is actually do everything we can. We need to drill the leases we have, but we do need to get additional leases available in some of the most productive areas of the Outer Continental Shelf and make it available, because we need to make sure that our country is going to be energy independent and not dependent on Venezuela or Saudi Arabia or any other country. And we can do it. We have Senators going to Saudi Arabia begging for them to increase their production, but we won't increase ours in some of the most potential productive areas.

That is why we need solutions instead of slogans. That is why I have a hesitation to support the bill or oppose it, because it is already current law.

Mr. RAHALL. Mr. Speaker, will the gentleman yield?

Mr. GENE GREEN of Texas. I will be glad to yield.

Mr. RAHALL. I appreciate my friend from Texas yielding.

The due diligence requirements or timeline that you asked for submission into the RECORD, that is perfectly allowed under my bill. We would not grab a lease. If a company is showing due diligence, if a company is moving toward production of oil or gas on Federal leases, we don't touch them.

Mr. GENE GREEN of Texas. I would be glad to read part of the lease for you, the fact that they can already take that lease back now under current law, if they want to.

Mr. Speaker, I include the lease section referred to earlier for the RECORD.

Sec. 4. Diligence, rate of development, unitization, and drainage—Lessee must exercise reasonable diligence in developing and producing, and must prevent unnecessary damage to, loss of, or waste of leased re-

sources. Lessor reserves right to specify rates of development and production in the public interest and to require lessee to subscribe to a cooperative or unit plan, within 30 days of notice, if deemed necessary for proper development and operation of area, field, or pool embracing these leased lands. Lessee must drill and produce wells necessary to protect leased lands from drainage or compensatory royalty for drainage in amount determined by lessor.

Mr. RAHALL. Mr. Speaker, I reserve the balance of my time.

Ms. FALLIN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. BOEHNER), our minority leader.

Mr. BOEHNER. Let me thank my colleague for yielding and tell my colleagues that in 1992 I voted for this bill. In 1992, the chairman of the committee voted for the bill. In 1992, Mr. HOYER, the majority leader, and Ms. PELOSI, the Speaker of the House, voted for the same bill. This is already the current law.

All this is is another excuse put up by the majority to not go after more American energy. That is all this is. And we have had more excuses. We going to blame it on speculators, we are going to blame it on the oil companies, we are going to blame it on OPEC, when there is only one group, only one group in this Chamber we ought to blame, and that is all the liberals in this House who have voted on for no energy each and every time over the last 18 years that I have been here.

Forty-six votes. Forty-six votes have been brought to this floor over the last 18 years that I have been here to produce more American-made energy. I voted yes 46 times out of 46. Ms. PELOSI, as an example, voted yes twice. Just twice. And how many times did the gentleman from West Virginia vote to bring more American-made energy to the market?

We are giving \$600 billion a year to people in the Middle East, money that could be spent here in America if we were willing to bring more oil out of our ground in an environmentally safe way.

Republicans have put forward an all-of-the-above strategy. We need to conserve more of our energy, we need to develop biofuels, we need to develop alternative fuels, we need to have nuclear energy, and, yes, we need to produce more oil and gas here in America in an environmentally safe way. But all we get from the other side each and every time are excuses. "Let's blame somebody else."

We are about to go home for our Independence Day district work period. We should not leave here until we take steps that will help us move our country toward more energy independence. Not more excuses, not more posing for "holy pictures," as the chairman of the Appropriations Committee would say. We need to bring bills to the floor that will actually put Members on record whether they are for more American-made energy or not.

I am willing to show my constituents how I will vote. Let's let all of America

see how our colleagues will vote, for more American made energy, which is what we need to do to bring gas prices down in America.

Mr. RAHALL. Mr. Speaker, I would simply remind the distinguished minority leader, if my memory serves me correctly, the minority party was in control of both ends of Pennsylvania Avenue for some 6 years, both Houses of Congress. I don't recall this legislation or any serious energy policy being adopted during that time period.

Mr. Speaker, I fully agree with the minority leader about developing all of our domestic reserves. Coming from a coal area, certainly I agree with that scenario, that we need to develop all of our domestic resources, and in a non-partisan fashion as well.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, July 28, 2005. The House of Representatives, one month from now will be the 3-year anniversary of the House Republican Congress passing their energy bill. The minority leader, who was just here, said at that time when gas was \$2.29 a gallon, "It will ultimately lead to lower energy prices for the consumer and will spur our economy."

President Bush when it was signed: "I am confident that one day Americans will look back on this bill as a vital step toward a more secure and more prosperous Nation that is less dependent on foreign sources of energy."

We have had 3 years of your energy policy, 3 years where you promised lower prices and a spur to the economy. By any standard of the imagination, it is a failure. Not because you want it to be. You thought it was the right policy. But it was a failure.

We have today a policy, because we do not believe this is an either-or choice, between more drilling or more conservation. We think it takes both. That is why we passed the standards, which you did not after 12 years in control, to increase the fuel efficiency standards for our cars. The first time in 30 years that was done. You all voted against that in your leadership.

Second, when it comes to drilling, we do believe as it relates to the oil and gas companies who are having record profits, use it or lose it. We gave you 68 million acres of public land. I have 3 children, 11, 9 and 8. My middle one, she loves chocolate, really loves chocolate. But we have a rule in the house: You don't get your desert until you finish everything on your plate. And to the oil and gas companies that want those leases in other areas, you don't get those leases until you finish what is on your plate.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. RAHALL. I yield the gentleman 30 additional seconds.

Mr. EMANUEL. So see what we have done here. Not only have we given them 68 million acres with record sup-

plies of oil and gas, you, the taxpayers, because they refused to agree to this, give them \$14 billion, that is the oil companies, to drill, out of your money. \$14 billion. They all vote against rescinding that and putting it towards alternatives. You give them \$14 billion. You give them 68 million of acres of public land. And what is the policy? \$4.08 a gallon for gas.

I say it is time for a new direction: More conservation, more drilling, use it or lose it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to direct their remarks to the Chair.

Ms. FALLIN. I would like to ask how much time remains.

The SPEAKER pro tempore. The gentlewoman from Oklahoma has 5 minutes remaining. The gentleman from West Virginia has 1 minute remaining.

Ms. FALLIN. Mr. Speaker, I would like to yield 2 minutes to the gentleman from Missouri (Mr. BLUNT), the minority whip.

Mr. BLUNT. Mr. Speaker, I thank the gentlewoman for recognizing me.

I would point out to my good friend the conference chairman on the now majority side that we often passed pieces of legislation from this House that are already available to pass again today. Certainly there is no question that on the other side of this building, that legislation was often blocked. But we would like to see a comprehensive solution.

My littlest boy and my grandchildren all love Band-aids. In fact, sometimes my little boy, Charlie, will fall and bump his head, and he feels better if we put a band-aid on his arm.

I think that is kind of what we are doing here this week. We are bringing band-aids to the floor, rather than dealing with the real problem. We have got bills on the floor that say it is the people who run the service stations, and maybe there is price gouging; or it is the people who participate in the market; or it is the people who look for oil and gas.

I would suggest it may very well be the people that don't bring the legislation to the floor that would do the things that my friend from Illinois just said he was for: Production. Those bills are there. We would like to see them discharged.

We have got the No More Excuses Energy Act that the gentleman from Texas, Mr. THORNBERRY, has proposed, that would allow the kinds of production that the majority has just said they are for.

We have got a refinery siting bill that Mr. PITTS from Pennsylvania has that would allow more refinery capacity.

We have a repeal on a ban that won't let the government buy any of these alternative fuels that we are hearing are such a good idea. The very best way you can get a loan and go to the bank is if you had a government contract for coal-to-liquid jet fuel or oil shale or

the tar sands. We have a Coal-to-Liquid Fuel Act that we will be trying to discharge in the future. We would like to see the real solutions come to the floor.

And on-use-it-or-lose-it, absolutely you do lose it when the lease is up. Less than 10 percent of the available land is being used now.

□ 1400

Mr. RAHALL. I reserve the balance of my time.

Ms. FALLIN. Mr. Speaker, I yield 1½ minutes to the gentleman from Louisiana (Mr. SCALISE).

Mr. SCALISE. I thank the gentlewoman from Oklahoma.

Mr. Speaker, I rise in strong opposition to this misguided bill. Rather than allowing us to bring forth legislation that will allow us to increase the supply of oil and gas, allow us to lower the price of gas at the pump, the Democratic leadership brings us this bill that could now halt leases for up to 3 years.

Section 2(b) of this Act would require that the Department of Interior publish within 180 days major regulations dealing with development on Federal lands. If you go look, regulations associated with the EPA Act of 2005 are still not in place, and that has been 3 years.

Furthermore, with at least two agencies, both the Minerals Management Service and the Bureau of Land Management, having to conduct separate rulemaking, I find it hard to believe that with all the public comment and lawsuits that would be associated with this, it would be impossible to meet that timetable; and that would mean a delay of 2 years or 3 years in leases.

In Louisiana, the heart of our coast relies heavily on revenues we receive from offshore activities. We have dedicated in Louisiana that revenue to restore our vanishing coast. We have lost thousands of miles of land and acres of our coast to coastal restoration, and we have dedicated our revenues from leases to coastal restoration. Those funds are desperately needed.

We cannot afford to wait to lose 3 years to have more leases. Our Nation cannot afford to lose 3 years of offshore leasing just because the Democratic leadership is trying to push legislation based on false assumptions.

We need to defeat this legislation. We need to bring forth a real plan to increase supply and lower gas prices.

Mr. RAHALL. I reserve the balance of my time.

Ms. FALLIN. Mr. Speaker, I yield the remainder of our time to the gentleman from Utah (Mr. BISHOP).

The SPEAKER pro tempore. The gentleman from Utah is recognized for 90 seconds.

Mr. BISHOP of Utah. Mr. Speaker, we have heard before that Big Oil is trying to gouge the consumer, and now Big Oil is down there trying to hide this stuff, in an effort to find another scapegoat or say there is a big conspiracy that is causing our problems,

rather than 30 years of failed policies on behalf of this Congress. And now we are doing this on a suspension where we have half the time to debate, no amendments are possible in an effort to stop discussion.

The fact of the matter is 68 percent of all oil leases and 87 percent of all natural gas leases are done by small companies, small companies who need to produce to put food on the table. Is it logical that they are actually part of a conspiracy to hide the oil beneath the ground? This bill is nothing more than another law with a layer of bureaucracy put on it than we already have.

But maybe, for the gentlelady of Oklahoma, maybe the Democrats have something here. Maybe we should be looking at this tactic for other areas. Like we all know 18-year-olds and women have the right to vote. Maybe we can pass another law to let them vote; this time, they can use it or lose it.

Or I know free speech is in the Constitution. Maybe we can say we all have free speech, unless we use it or lose it. I think there are some Members of this body who would never lose it. Or faith, use it or lose it. Or maybe a brain. You can use it, or you can become a Member of Congress.

What we need to do right now is to stop finding scapegoats and find solutions. This bill is not a solution.

Mr. RAHALL. Madam Speaker, I have said this in my opening comments and I will say it again. We on the Democratic side are not opposed to drilling. We are for drilling on leases that oil companies currently already have in hand. We are for a comprehensive energy policy, including using all of our domestic resources and our domestic willpower as an American people.

A comprehensive energy policy is something that this Congress will address using in a bipartisan fashion the talents of this body and the talents of American ingenuity and willpower.

This pending legislation is a responsible bill that seeks to say to the oil companies: Use what you already have or show where you are moving toward producing that oil; otherwise, give somebody else a chance that may want to competitively bid on that same lease.

This is a use it or lose it. And I urge a "yes" vote for this responsible piece of legislation.

Mr. YOUNG of Alaska. Madam Speaker, I think it would be instructive for Members to see this letter from the national organizations representing the oil producers, oil and gas supply industries and the off shore oil and gas infrastructure supply industry; the organizations that supply domestic energy for the American consumer.

Hon. NANCY PELOSI,  
*Speaker, House of Representatives,*  
*Washington, DC.*

Hon. JOHN BOEHNER,  
*Minority Leader, House of Representatives,*  
*Washington, DC.*

DEAR SPEAKER PELOSI: We write today in opposition of HR 6251, the so-called "use it or

lose it" legislation under consideration in the House today. As Americans cope with \$4 a gallon gasoline, it is regrettable that some in Congress choose to propose diversionary legislation, not based on facts, instead of focusing on the real issue—the need for additional energy supplies to meet growing world energy demand.

Over the past few weeks, rhetoric surrounding our nation's lack of a coherent energy policy has reached an apex. Unfortunately, policy proposals like the "use it or lose it" legislation ignore fundamental facts about the oil and gas industry and jeopardize the long-term energy security of our nation.

Every energy forecast has predicted that oil and natural gas will be a critical component of America's growing energy demands. The federal Energy Information Administration (EIA) estimates 88% of our nation's energy needs will be met by oil, natural gas, coal, and nuclear power in the year 2030. This fact is being lost in the proposals of some members of Congress. While political candidates talk of energy independence, some in Congress are offering proposals that will lead our nation in the opposite direction. These members ignore the challenges of domestic production, and make unfounded accusations such as the latest charge that non-producing leases are the same as inactive leases. This couldn't be further from the truth.

The U.S. oil and natural gas industry is in the business of supplying energy, not sitting on it. The industry has reliably supplied our nation with the necessary energy to move our cars and fuel our homes and will continue to do so for decades to come. The industry buys leases with the intent to produce all commercially viable reserves of oil and natural gas. Unfortunately, not every acre of land under lease contains oil or natural gas. In fact, many leases do not contain any commercially recoverable oil or natural gas resources.

But these non-commercial leases continue to provide rental payments for the federal government, on top of bonus bids paid for the right to explore this land. In fact, the federal government received more than \$9 billion in bonus bids from the last four offshore lease sales alone.

For the acreage that does include promising reserve prospects, it can take years and millions, or even billions, of dollars to develop this resource. The exploration process, which precedes production, necessarily takes time. Seismic surveys must be undertaken, delineation wells must be drilled, government permits must be obtained, environmental regulations must be adhered to, and complex production facilities must be engineered and installed.

Oil and gas development is an extensive, expensive and time-consuming process, even with advances in technology. As an example, in the U.S. ultra deepwater (greater than 5000 ft) in the Gulf of Mexico—where some of our nation's most promising new discoveries have been made—only 21% of wells drilled have resulted in a discovery of oil or natural gas. However, as a result of this industry's willingness to invest billions of dollars despite these odds—and because of what has historically been a stable domestic oil and natural gas regulatory regime—the U.S. oil and gas industry has continued to explore the Gulf of Mexico. This exploration has resulted in an 820% increase in deepwater oil production and a roughly 1,155% increase in deepwater natural gas production from 1992 to 2006, while adding billions of dollars in revenue to the federal treasury.

In fact, royalty payments provide the second-largest revenue stream to the federal government, behind only federal taxes administered by the IRS.

The ability to explore in Gulf Coast waters has resulted in not only a steady stream of

major discoveries since the mid 1990s, but also a tripling of estimated undiscovered potential from 1995 to 2003. Similarly, Prudhoe Bay, Alaska was initially thought to contain 9 billion barrels of oil, but the industry has already produced about 12 billion barrels and it still is estimated to contain reserves of another 6 billion barrels. Imagine what American industrial ingenuity could find through environmentally responsible exploration and development of 85% of Lower 48 Outer Continental Shelf and 83% of onshore federal lands that are currently off-limits or facing significant restrictions to development.

The Outer Continental Shelf Lands Act, the Mineral Leasing Act, and the Mineral Leasing Act for Acquired Lands already establish a regulatory system that sets time limits on lease terms, establishes annual rental payments for leases that are not yet in production, and requires diligent development of all available resources. The current debate does not acknowledge these facts. The American public deserves a policy discussion grounded in market fundamentals.

Sincerely,

AMERICAN PETROLEUM  
INSTITUTE.  
AMERICAN EXPLORATION  
AND PRODUCTION  
COUNCIL.  
INTERNATIONAL  
ASSOCIATION OF DRILLING  
CONTRACTORS.  
INDEPENDENT PETROLEUM  
ASSOCIATION OF AMERICA.  
INDEPENDENT PETROLEUM  
ASSOCIATION OF  
MOUNTAIN STATES.  
NATIONAL OCEAN  
INDUSTRIES ASSOCIATION.  
U.S. OIL AND GAS  
ASSOCIATION.

Mrs. MALONEY of New York. Madam Speaker, the administration's answer to record gas prices today is to allow drilling in Alaska's pristine wilderness and off our shorelines for little payoff a decade from now.

What they don't tell you is that big oil companies already lease 68 million acres of public lands that they are not developing. Big oil companies are sitting on 81 percent of America's Federal oil and gas reserves, but all they are producing are complaints that it's not enough.

I urge my colleagues to support H.R. 6251—the "use it or lose it" bill. This legislation would compel the oil industry to start drilling on the acreage they already lease before obtaining any new leases.

Madam Speaker, if domestic drilling can bring relief to American families, what are the oil companies waiting for?

Ms. GINNY BROWN-WAITE of Florida. Madam Speaker, I rise today in opposition to H.R. 6251, the Democrat "use it or lose it" plan.

Leases and drilling permits are not awarded with any certainty that oil or gas will be found. Just because my Democrat colleagues say oil and gas is there, does not necessarily make it so. The Democrats in the majority need to stop playing geologist and start representing the American people.

Seventy-six percent of the American people believe Congress should expand domestic production. Gas prices are high because demand is greater than supply. In fact, U.S. oil production has steadily decreased since 1970.

Reports by the Bureau of Land Management and the Minerals Management Service place potential federally managed areas for oil

and gas exploration at 1.3 billion acres. Currently, only 68 million acres of Federal land are being explored for oil and gas.

This Congress should be more concerned with opening up Federal land to energy production than wasting time arguing over the 5 percent of land that is currently available.

Democrats have pushed for higher gas prices for decades. Now that they have finally succeeded, Democrats seem determined to keep them that way.

Madam Speaker, we know increasing supply will lower the price of gasoline and we have the means to do so. Drill here, drill now, pay less.

Mr. HOLT. Madam Speaker, I rise today in support of H.R. 6251, the Responsible Federal Oil and Gas Lease Act.

Over the last few months we have frequently heard claims from our colleagues on the other side of the aisle that we need to open up more Federal lands to oil and gas drilling, the magic bullet that will solve our energy crisis. They have told the American people that Democrats and environmentalists are protecting our Nation's most sensitive and special environments at the expense of the American people. They have claimed that opening up land in the Arctic National Wildlife Refuge (ANWR) and on the Outer Continental Shelf (OCS) would quickly help bring down the price of gas. Not only are these claims misleading American families desperately seeking help with skyrocketing gas prices, they are completely false.

Currently 81 percent of our Nation's Federal lands are available to be leased for the purpose of oil and gas drilling. Sixty-eight million acres of the lands open for drilling both onshore and offshore currently are leased by oil companies who are not using them for production. It is estimated that these leased but unused lands could produce an additional 4.8 million barrels of oil and 44.7 billion cubic feet of natural gas each day, nearly doubling U.S. oil production and cutting oil imports by a third. Existing leases can also come online much faster than any newly leased lands, which would save only pennies per gallon, more than a decade down the road.

I would like to commend my colleague from West Virginia, Representative NICK RAHALL, for introducing H.R. 6251, the Responsible Federal Oil and Gas Lease Act. This legislation would require oil companies to certify to the Department of the Interior that they are actively developing on the lands that they have already leased. If these oil companies are not producing on these lands, they either would have to relinquish these leases or start producing on them before they could apply to lease additional lands. Also my colleagues who say "drill, drill, drill" should support this legislation and they should stop talking about drilling on our environmentally sensitive coastlines and wildlife refuges until oil companies have gone as far as they can towards on these currently leased lands.

This legislation is common sense and I urge my colleagues to support it. There is no logic to opening up more land to oil and gas drilling when we are not utilizing the leases we already have. Of course this legislation is not a long term solution to America's energy needs. Currently we produce 3 percent of the world's oil and consume 25 percent. Unless we find a way to dramatically reduce our consumption we will never be able to drill our way to energy

independence. I look forward to working with my colleagues on both sides of the aisle to develop a long term solution to this crisis.

Mr. UDALL of Colorado. Madam Speaker, I will vote for this bill.

In recent days, discussion of the bill has included statements—by some supporters and some opponents alike—that I found exaggerated in their descriptions of the likely effect of its enactment. I regret that, and think it would be better to avoid the "use it or lose it" rhetoric that oversimplifies the issue and fails to reflect the reality that oil and gas exploration is a complicated commercial and scientific enterprise involving efforts not easily fitting within strict regulatory timelines.

But while the bill may not be as far-reaching as some have claimed, I think it is a reasonable response to current conditions and should be passed.

In essence, the bill would bar the current holders of Federal mineral leases—whether for onshore or offshore areas—from obtaining additional leases unless they are able to show that they are "diligently developing" the leases they already hold. The Secretary of the Interior would be responsible for spelling out in regulations exactly what would be needed to show such "due diligence."

Current Interior Department regulations include provisions addressing due diligence requirements, so this is not a new concept. But I think giving it greater emphasis is appropriate in view of the continuing importance of oil even as we work to increase the availability and use of alternative energy sources.

More useful in terms of energy policy, this bill will reinforce the provisions of current law that aim to prevent hoarding of leases, and by providing an incentive for relinquishment of some leases may increase the opportunity for others to seek and obtain the right to explore for and perhaps produce oil or gas from those lands.

This approach is similar to that taken when Congress amended the coal-leasing laws by passing the Coal Leasing Act Amendments of 1976 over President Ford's veto. That 1976 legislation provided for a due-diligence requirement as part of a comprehensive overhaul of the laws governing leasing and development of federally owned coal resources—a provision that some analysts have said had the most immediate practical effect of any of the legislation's various provisions.

As a result, for several decades the holders of Federal coal leases have been required by law to diligently develop their leases, which has aided in the orderly and efficient development of the Nation's coal. I think a similar reinforcement of existing law for leasing of other Federal energy resources makes sense.

This bill alone is certainly not all that needs to be done to improve our energy policies. But I think it can make at least a modest contribution to achieving that, and so I will support it.

The SPEAKER pro tempore (Ms. DEGETTE). The question is on the motion offered by the gentleman from West Virginia (Mr. RAHALL) that the House suspend the rules and pass the bill, H.R. 6251, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. FALLIN. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### PERMISSION TO CONSIDER AS ADOPTED MOTIONS TO SUSPEND THE RULES

Mr. OBERSTAR. Madam Speaker, I ask unanimous consent that the motions to suspend the rules relating to the following measures be considered as adopted in the form considered by the House on Tuesday June 24, 2008:

House Resolution 1294, House Concurrent Resolution 163, House Resolution 353, House Resolution 1231, H.R. 2245, H.R. 4264, H.R. 4918, House Resolution 1271, House Concurrent Resolution 370, House Concurrent Resolution 195, House Resolution 970, House Concurrent Resolution 365.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The SPEAKER pro tempore. Without objection, sundry motions to reconsider are laid on the table and titles are amended as applicable.

There was no objection.

#### CONDITIONAL ADJOURNMENT TO MONDAY, JUNE 30, 2008

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that when the House adjourns today on a motion offered pursuant to this order, it adjourn to meet at 10 a.m. on Monday, June 30, 2008, unless it sooner has received a message from the Senate transmitting its concurrence in House Concurrent Resolution 379, in which case the House shall stand adjourned pursuant to that concurrent resolution.

The SPEAKER pro tempore (Mr. FRANK of Massachusetts). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

#### PERMISSION TO REDUCE TIME FOR ELECTRONIC VOTING DURING PROCEEDINGS TODAY

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that, during proceedings today in the House and in the Committee of the Whole, the Chair may be authorized to reduce to 2 minutes the minimum time for electronic voting on any question that otherwise could be subjected to 5-minute voting under clause 8 or 9 of rule XX or under clause 6 of rule XVIII.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

#### GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members