

The One Year Anniversary of American Energy Freedom Day

October 1, 2009

Key Take Away Points on the [Outer Continental Shelf](#)

- ***De Facto Ban on OCS Exploration:*** Despite the fact the moratoria on most OCS exploration has been lifted for a year, the Obama administration is content on imposing a de facto ban that could last up to another three years, until at least 2012 – and there is no guarantee they will act after then.
- ***Energy Independence:*** The OCS has estimated reserves of 8.5 billion barrels of oil (replacing Saudi imports for over 20 years) and 29.3 trillion cubic feet (tcf) of natural gas and another *86 billion barrels of oil and 420 tcf of natural gas are classified as undiscovered resources*, according to the [MMS](#).
- ***Job Creator:*** With a nationwide unemployment rate almost at one in every ten Americans, development in the former moratoria areas of the Outer Continental Shelf, and other restricted areas in the Arctic National Wildlife Refuge and the Rockies (including oil shale), would directly create 160,000 new jobs by 2030 according to [ICF International](#).
- ***Economic Stimulator:*** The OCS would produce \$8 trillion in economic output and \$70 billion in additional wages each year according to the [American Energy Alliance](#).

Tomorrow marks the first anniversary of American Energy Freedom Day, first conceived in July of 2008 - mainly by Members of the Republican Study Committee. After President Bush rescinded a twenty year old White House restriction on energy leasing in approximately 85 percent of America's territorial waters, a large number of Republicans sent a letter to Speaker Pelosi and Majority Leader Hoyer urging them to allow a congressional prohibition on energy exploration on most of the Outer Continental Shelf and on oil shale leases on federal land to expire. Thanks to pressure and citizen input from all over the country, the congressional moratorium was allowed to expire on October 1st, 2008, which became known as American Energy Freedom Day.

Many conservatives have consistently proposed expanding energy exploration and extraction on the OCS, the lands under the waters surrounding the United States (up to 200 miles), most of which have been statutorily off limits to energy development until last year. The Department of

the Interior (DOI) released a comprehensive [inventory](#) of OCS resources in February of 2006 that estimated reserves of 8.5 billion barrels of oil (replacing Saudi imports for over 20 years) and 29.3 trillion cubic feet (tcf) of natural gas. Another 86 billion barrels of oil and 420 tcf of natural gas are classified as undiscovered resources. With advances in technologies that have made OCS development cleaner, safer, and more efficient, leases are estimated to be able to produce up to approximately 1.4 million barrels of oil per day.

The impact of allowing domestic production in the OCS would be dramatic and help create American jobs, while lowering cost of important commodities like gasoline and home heating oil. According to a recent [analysis](#) by the Heritage Foundation, “increasing domestic production by 1 million barrels per day would reduce imported petroleum costs by \$123 billion, generate an additional \$7.7 billion in economic activity, and cost \$25.6 billion in additional oil production costs. The net gain to the economy would be \$105 billion. The impact on employment would be an increase of 128,000 jobs. Applying the same analysis to a 2 million barrel per day increase in domestic petroleum production yields net economic gains to the economy of 270,000 jobs and \$164 billion.”

After the nearly twenty-eight-year congressional moratoria expired, and after soliciting comments from over 152,000 interested and affected parties on whether to begin a new program, the Minerals Management Service (MMS) submitted a five-year OCS Oil & Gas Leasing Program draft proposal for 2010 through 2015. On Jan. 21, 2009, the DOI proposed a total of 31 lease sales; including 14 lease sales in three areas of the Gulf of Mexico, nine lease sales in four areas of offshore Alaska, three lease sales in two areas of offshore California, and five lease sales in three areas of the Atlantic.

However, after taking office, the Obama administration had the Department of the Interior announce a six-month delay for the 2010-2015 MMS proposal by extending the public comment period through September 21, 2009. Now that the comment period is complete, it appears that the Obama administration is moving to *delay the implementation of a plan for possibly three additional years*. Less than two weeks ago, Secretary of the Interior Ken Salazar [alluded](#) to being unclear whether the Obama administration will allow any expansion of Outer Continental Shelf drilling.

Many conservatives fear the Obama administration will continue to obstruct a legitimate approach to increase energy independence for the American people. Opening the OCS and other formerly restricted areas will create jobs, encourage economic growth, and reduce our dependence on oil and natural gas supplies produced by hostile nations. Rather than taxing and restricting access to American energy, many conservatives believe the key is to unlock our nation’s economic potential by supporting a comprehensive energy solution that can produce a clean energy economy that will create millions of jobs.

The Republican Study Committee and Congressional Western Caucus have developed a comprehensive energy proposal. Through incentives for energy innovation, conservation, and production, we can achieve realistic and timely environmental goals while simultaneously creating hundreds of thousands of jobs. Our American entrepreneurial spirit and ingenuity can bring us to a future where we can end our reliance on fuel from hostile nations, while simultaneously making exciting new renewable sources of energy plausible. For more information on the American Energy Innovation Act (H.R. 2828), visit [this](http://rsc.tomprice.house.gov/Solutions/AmericanEnergyInnovationAct.htm) webpage (<http://rsc.tomprice.house.gov/Solutions/AmericanEnergyInnovationAct.htm>).

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