

## ***RSC Heads Up: “You never want a serious crisis to go to waste”***

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As White House chief of staff Rahm Emanuel [stated](#), “You never want a serious crisis to go to waste.” It appears House Democrats are following the advice of their former colleague to impose policies that will have drastic negative impacts on the U.S. economy, jobs in the energy industry, and America’s potential to reach energy independence. Next week, it is [anticipated](#) House Democrats will politicize the BP oil spill crisis in order to move expansive legislation to vastly restrict our domestic energy supply.

It is believed any sort of energy legislation will be bundled into a large package, composed of many regulatory mandates primarily derived from the CLEAR Act (H.R. 3534), and advertised to the public as a legislative response to prevent future spills. In reality, the bill is ploy to enact totally unrelated policies, levy additional regulatory burdens on the U.S. oil and gas industry, and impose excessive new energy costs on American consumers and producers.

### ***Highlights of What Is Reported to Be in the Democrat Energy Dependency Bill Next Week:***

***Backwards Energy Plan:*** Once again, Democrats demonstrate they have no credibility when talking about reaching energy independence. Just like when they passed legislation to impose a national energy tax under H.R. 2454, next week they plan to move mandates to restrict oil and gas exploration in the United States. They continue to believe the only energy policy is to throw subsidies to wind and solar technology, and do not understand that a responsible solution to lead us to energy independence is a [comprehensive plan](#) that recognizes America reliance on oil and natural gas that will continue for decades to come.

***Hey Big Spender, We Surrender:*** The legislation will reportedly mandate full funding for the Land and Water Conservation Fund (LWCF), the Historic Preservation Fund (HPF), and the Oceans Resources Conservation and Assistance Fund (ORCA) beginning in FY 2011. Perhaps most ironic is this legislation will actually decrease royalty revenue to the same federal Treasury that Democrats are relying on for \$40 billion in new mandatory spending to pay for these programs.

***Representation without Taxation:*** During the committee markup an amendment was offered to reverse the moratorium on offshore drilling imposed by the Obama Administration after the explosion in the Gulf of Mexico. The amendment failed by a vote of 22-26. Five of the “No” votes were cast by delegates, which do not have full voting rights on the House Floor. As one blogger [points out](#), none of their constituencies pay federal taxes, and with the exception of

Puerto Rico, none of their constituents are U.S. citizens. However, those delegates effectively blocked any hope of Congress from lifting the moratorium.

***No OCS Moratorium Repeal:*** The majority of Gulf Coast residents support lifting the moratorium to foster job growth and help keep afloat an economy that has already taken a dramatic blow with significant losses from the loss of fishing and tourism revenue. The moratorium does not penalize BP or any other oil company, as they can and [will move](#) many rigs to other open waters in foreign nations and continue to make profits. The moratorium imposes a secondary blow to the Gulf Coast economy, and also dries up millions in lost royalties for the federal government and states.

***Additional De-Facto Nationwide Drilling Moratorium:*** The ultimate results of the legislation will make the leasing process more prohibitive and costly, driving many producers to reconsider exploration options with the additional uncertainty. The proposal will not only further regulate deep water rigs, but also those in shallow water, and state and public lands onshore. Additionally, the regime will create additional layers of bureaucracy to ultimately secure a lease, at the peril of a federally centralized command and control mechanism.

***Not Knowing the Facts:*** Today, a blowout preventer that was the cause of the largest environmental disaster in U.S. history sits over 5,000 feet below the surface of the Gulf of Mexico. No inspector, no scientist, no regulator, no oil and gas expert, no engineer, nor anyone has been able to inspect the blown out pipe that caused the explosion. Next week, the House plans to pass prescriptive regulations to supposedly prevent future blowouts - without fully knowing what caused the drill bit to blowout in the first place.

***\*Note:*** This is not meant to be a detailed analysis of any specific piece of legislation, as no final version of the bill has been introduced. Some of these provisions may change. Rather, this document is to be used for staff as a heads up on major themes to bills introduced to respond to the BP Deepwater Horizon Oil Spill and Offshore Drilling Moratorium.

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