



ATR Energy Tax Hike Series

Outer Continental Shelf Drilling

Current Law

The Bush Administration lifted the executive moratorium on drilling on the Outer Continental Shelf (OCS) in July 2008 and Congress allowed their ban to lapse in October of that year.

Obama Proposal

The Department of the Interior (DOI) and Minerals Management Service (MMS) are making a 5 year leasing plan for 2010-2015. Secretary Salazar appears to be delaying the process and has already increased the 60 day comment period to six months.

ATR Analysis

The DOI and MMS need to begin issuing permits as soon as possible so that exploration and drilling can begin. “The No Cost Stimulus Act of 2009” H.R. 1431, which is sitting in committee, would expedite the environmental review and lease sale process by reducing regulatory red-tape.¹

Expanding OCS drilling is estimated to increase the US oil supply by 19 billion barrels of oil- which is nearly 30 years of current imports from Saudi Arabia. This is an initial estimate and initial estimates tend to be low.²

Even while 85% of the OCS was off limits, the DOI reported, “In 2007, the OCS accounted for 14 percent (2,860 billion cubic feet) of the Nation’s natural gas production and 27 percent (492,329,179 barrels) of its oil production.”³

The U.S. consumes approximately 7.5 billion barrels of oil every year. These reserves contain over 900 billion barrels of oil. **This new access will create over 600,000 jobs** and provide increased supply to reduce energy costs.

In order to provide for increased energy needs and to promote energy independence, bureaucratic red-tape and restrictions need to be lifted, so that OCS drilling can take place. Utilizing our national resources will lower energy costs, promote productive growth, and create jobs.

¹ Nicolas Loris and Ben Lieberman, “No Cost Stimulus Expands Energy Supply and Creates Jobs.” The Heritage Foundation. March 11, 2009.

<http://www.heritage.org/Research/EnergyandEnvironment/wm2336.cfm>

² Ibid.

³ U.S. Department of the Interior, “Survey of Available Data on OCS Resources and Identification of Data Gaps.” 2009. <http://www.doi.gov/ocs/ExecutiveSummary-final.pdf>. P. 4.