OFFICE OF SPEAKER NANCY PELOSI
FACT SHEET

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A New Direction for Energy Independence: Mandate Big Oil to Drill Lands They Already Lease— The "Use it or Lose It" Bill

Key Points:

- **The Bush-Cheney-McCain energy plan would give millions of additional acres of potential oil reserves to the oil companies which are already sitting on more than 68 million acres of public lands—containing 81% of America's federal oil and gas reserves.**

- **The Bush-Cheney-McCain plan to expand leasing is designed to allow the oil companies to buy up and warehouse millions of additional acres of public resources that they have no ability or intention of developing for years.**

- **The Democratic-led Congress is moving America in a New Direction for Energy Independence—working for consumers to lower gas prices, make America more secure, and launch a cleaner, smarter, more cost-effective energy future that creates hundreds of thousands of green jobs and reduces global warming.**

- **We can encourage domestic drilling—but we know we can't drill our way to energy independence when we use a quarter of the world's oil, but sit atop less than 2% of the world's supply.**

- **The House will consider H.R. 6251, the "Use It or Lose It" bill, to compel the oil industry to start drilling on the 68 million acres which they are currently warehousing or be barred from obtaining any more federal drilling leases until they demonstrate that they are diligently developing those lands.**

- **The 68 million acres of leased but inactive public land – equal to the size of Colorado – could produce an additional 4.8 million barrels of oil and 44.7 billion cubic feet of natural gas each day, which could nearly double U.S. oil production and cut oil imports by one-third. It can come on line much faster than any newly leased lands, which would save only pennies per gallon, more than a decade down the road.**

- **We will also vote this week to reduce public transit fares -- to help Americans struggling with energy prices, reward conservation, reduce demand nationwide on a scale that could lower prices, and reduce carbon emissions. Democrats tried to crack down on price gouging, but a majority of Republicans voted against these efforts, even though an enforcement operation in New Jersey last week found 350 price gouging-related violations at 1,000 gas stations.**

- **We are calling on the Bush Administration to curb excessive speculation in the energy futures market and are looking at how best to further close the Enron Loophole for dark petroleum markets, and will develop legislation for passage in July. Experts estimate excessive speculation is inflating prices by anywhere from $20 to $60 per barrel of oil.**

- The “Responsible Federal Oil and Gas Lease Act of 2008” would bar companies from obtaining any more federal leases for drilling onshore or on the Outer Continental Shelf, unless they can demonstrate that they are producing oil and gas from the leases they already hold or are in the process of diligently developing the leases they already hold. The bill directs the Interior Secretary to define “diligent development.”

- This bill gives companies an incentive to relinquishing their non-producing leases, creating an opportunity for another company to explore for and perhaps produce oil or gas from them. Under the bill, the terms of leases which are in production, or which can demonstrate diligent development, are extended.

- For nearly 30 years, companies that lease federal coal resources have been required by law to diligently develop their leases. This requirement has discouraged the rampant speculation that once existed in the federal coal leasing program.