

Talking Points for Democratic Members
Prepared by House Natural Resources Committee, Majority Staff
Response to Republican Claim that H.R. 6251 Restates Existing Law
June 17, 2008

Argument:

In response to the introduction of H.R. 6251, “The Responsible Federal Oil and Gas Lease Act”, Republicans are falsely arguing that the legislation is unnecessary because federal oil and gas leases can already be cancelled, and non-producing leases expire at the end of their terms. The Republican argument consists of pointing out the different places *in regulation* that allow the government to cancel a lease. They provide two examples:

“In law: “any lease ... may be forfeited and canceled ... whenever the lessee fails to comply with any provisions of this chapter, of the lease, or of the general *regulations*.” [30 USC 188]

In regulation: “Whenever the lessee fails to comply with any of the provisions of the law, the *regulations* issued there under, or the lease, the lease may be canceled by the Secretary” [43 CFR 3108.3]”

Response:

- **Current law allows leaseholders 10 years to develop oil or gas – the Responsible Federal Oil and Gas Lease Act cuts that down to 5 years.**
- **While existing leases can be cancelled if leaseholders fail to comply with lease provisions, laws, or regulations, such as public safety and environmental requirements, there is *no law or regulation* that requires diligent development of federal oil and gas leases.**
- **As long as leaseholders pay the required annual rental fee, the government cannot compel diligent development of the leased lands.**
- **The Responsible Federal Oil and Gas Lease Act requires oil and gas operators to diligently develop federal oil and gas leases, as is currently required of coal leaseholders.**
- **This requirement was enacted in the 1970’s to prevent coal operators from using federal resources for speculation that would drive up prices.**
- **No such requirement is placed on oil and gas operators and H.R. 6251 corrects that situation.**