H.R. 3089, "NO MORE EXCUSES ENERGY ACT OF 2007"

JUST ANOTHER REPUBLICAN EXCUSE TO GIVE MORE TAXPAYER DOLLARS TO THE OIL INDUSTRY

WHY DO OIL & GAS COMPANIES NEED MORE TAXPAYER HANDOUTS AT A TIME OF RECORD PROFITS? H.R. 3089 would provide new tax subsidies for the oil and gas industry to build new refineries and to explore for oil and gas. At a time of record profits, why should American taxpayers provide the oil and gas industry with further handouts?

According to the Natural Resources Committee:

- **The vast majority of oil and gas resources in the Outer Continental Shelf are already open for exploration and production.** H.R. 3089 would allow drilling off the coast of every single state on the Atlantic and Pacific coasts, states that currently enjoy protections for their shorelines. But according to the Minerals Management Service, 82% of the natural gas and 79% of the oil in the Outer Continental Shelf is in areas that are currently available for leasing.

- **The oil companies already have leases for huge offshore areas that they are not using.** Of the 44 million acres currently leased on the Outer Continental Shelf, over 33 million acres are not producing oil or gas. That is 33 million acres that the oil and gas companies should explore fully before looking for new areas to drill.

- **Opening up ANWR will not lower gas prices at all in the near term, and barely save consumers money in the long term.** H.R.3089 wants to open up 200,000 acres of the Arctic National Wildlife Refuge to oil and gas drilling, but the Energy Information Administration recently reported that opening ANWR would only lower gas prices by a few cents per gallon twenty years from now.

- **Oil would not flow from ANWR for 10 years.** The Energy Information Administration concluded that it would be at least 10 years, not counting the inevitable court cases, before any oil was produced from ANWR.

According to the Ways & Means Committee:

Some Provisions Don't Work

Credit for Producing Fuel From Onshore Wells that are More Than 15,000 ft. Deep: The bill would make an addition to the tax code that attempts to provide the oil and gas industry with a tax subsidy for drilling onshore wells. However, as drafted, this tax credit would not be available to any taxpayer.

Some Provisions Would Provide Redundant Subsidies for Oil & Gas Companies

Tax-Exempt Bond Financing for New Refineries: The bill would provide tax-exempt financing for the construction of new refineries. The tax code currently contains tax incentives encouraging oil companies to build new oil refineries. In 2005, Congress passed a tax incentive that allowed oil companies to write-off 50% of the expenses of refinery facilities. Facilities built as a result of this incentive have until 2012 to finish construction.

Some Provisions Have Already Been Included in other House-Passed Bills Opposed by Republicans

Wind Production Tax Credit Extension: The bill would extend the production tax credit for wind for ten years (through 2019). The House of Representatives has already voted on an extension of the wind production tax credit several times (H.R. 2776, H.R. 6, H.R. 5351, and H.R. 6049). Furthermore, the bill fails to extend other renewable energy production tax credits for renewable resources such as biomass, geothermal energy, and hydropower. The bill also fails to extend the investment tax credit for solar power and fails to provide public power providers and rural electric cooperatives with analogous tax incentives.

Some Provisions Have No Connection with America's Dependence on Oil

ASME Nuclear Certification Credit: The bill would also provide a 15% tax credit for expenditures incurred in connection (1) with obtaining certification under the American Society of Mechanical Engineers (ASME) Nuclear Component Certification program or (2) increasing the taxpayer's capacity to build ASME certified components for nuclear energy facilities.