

Big oil risks offer no relief for Americans

Gas prices and unemployment are high, and the American people understandably want relief. Oil companies want us to cut corners on permitting, leave in place the same broken system that led to the BP Deepwater Horizon blowout and oil spill, and expand offshore drilling into untested areas, but these measures only offer high risks and no relief at the pump for Americans.

Reform must be a national priority.

- Congress has not enacted the many recommendations of the Oil Spill Investigation Commission leaving us to rely on oil company assurances.
- New deepwater wells continue to rely on subsea blowout preventers, just like the one involved in the Deepwater Horizon disaster.
- The problems that led to the BP Deepwater Horizon oil spill and the resulting environmental and economic impacts are still with us today.
- Deepwater oil operations continue to rely on the same inadequate environmental impact analysis that BP used for the Deepwater Horizon before the oil spill instead of a more thorough impact assessment that considers one of the biggest environmental disasters in U.S. history.
- Gulf Coast communities, the seafood industry, and tourism are still recovering; dead dolphins with oil on them are still being found; oysters in the Gulf have been devastated; as many as one in three crabs that are pulled up die before boats can reach the dock; and Gulf shrimpers are still pulling up oil in their nets. Moreover, scientists report that the full extent of impacts from the BP Deepwater Horizon disaster may be unknown for years.

“As drilling pushes into ever deeper and riskier waters where more of America’s oil lies, only systemic reforms of both government and industry will prevent a similar, future disaster,” said Oil Spill Investigation Commission Co- Chair William K. Reilly.¹

We cannot drill our way to energy freedom.

- Since the U.S. consumes almost 25% of the world’s oil but holds just 2% of the world’s reserves, we will continue to be dependent on unstable foreign oil unless we use more efficient technology and develop renewable, alternative energy sources.
- Oil is priced and sold by companies on the world market as a globally-traded commodity. Because the U.S. has such a small percentage of the world’s reserves, the U.S. will never be able to drive down gas prices at the pump.
- U.S. oil production has actually increased by 10% in the last few years, and last year (2010), reached its highest level since 2003 while many oil companies posted big increases in profit.

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- “At the current level of proven reserves and at our annual consumption of petroleum, if America were to go to a "Drill, Baby, Drill!" philosophy, we would exhaust our reserves by approximately 2031.” —Senator Bob Graham on the oil spill commission findings.² That’s just **20 years from now**.

The risks of drilling in the Atlantic far exceed any of the purported benefits.

- According to the best available assessments, the Mid- and South Atlantic coasts combined hold the equivalent of **just about three months supply of oil** (1.91 billion barrels) and ten months supply of gas (18.99 trillion cubic feet),³ at current rates of U.S. consumption.⁴
- Drilling would threaten the economic livelihood of the coastal communities in this region that rely on healthy marine waters and clean beaches to support vital tourism and fishing industries.⁵
- Offshore oil and gas development would also interfere with the Navy and NASA operations that take place off the Mid- and South-Atlantic,⁶ compromising our national security interests and weakening a significant sector of these state economies.

American ingenuity should be directed towards developing more fuel-efficient cars and smarter transportation choices.

- Increasing fuel efficiency standards for new cars will reduce our demand for oil while saving consumers money. The difference between a car that gets 20 MPG and one that gets 30 MPG amounts to \$948 per year. **That’s \$4,740 extra in fuel costs over five years.**⁷
- Americans living in areas served by public transportation save 646 million hours in travel time and 398 million gallons of fuel annually in congestion reduction alone.⁸
- Emerging technologies are reaching the marketplace today speeding America’s transition to a less gas-dependent fleet of vehicles.

American tax dollars should be directed towards reducing our reliance on fossil fuels.

- The oil and gas industry is one of the most heavily subsidized industries in the U.S. As the result of a loophole Congress created in 1995, oil companies may benefit from as much as \$53 billion over the next 25 years (\$1.5 billion in this year alone) in unpaid royalties from their production of oil from federal waters—oil owned by American taxpayers.⁹
- By ending just a few of the generous subsidies the oil and gas industry receives, taxpayers can save more than \$31 billion in the next five years.¹⁰
- Investing \$100 billion towards developing a green energy economy would also create nearly four times more jobs than spending the same amount of money on oil energy resources.¹¹

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¹ Press Release, National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling (Jan. 11, 2011), *available at* <http://www.oceanleadership.org/wp-content/uploads/2011/01/Final-Report-Press-Release.pdf> .

² Press Conference, National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling (Jan. 11, 2011), *transcript available at* <http://www.eenews.net/tv/transcript/1264> (last visited May 3, 2011).

³ U.S. Minerals Management Service, Report to the Secretary, U.S. Department of Interior, Survey of Available Data on OCS Resources and Identification of Data Gaps, at II-21, Table II-4 (April 2009).

⁴ According to the EIA, in 2007 the U.S. consumed 20,680,000 barrels of oil per day. Energy Info. Admin., Petroleum Navigator, http://tonto.eia.doe.gov/dnav/pet/pet_cons_psup_dc_nus_mbbldpd_a.htm (last visited May 3, 2011). In 2007 the U.S. consumed 23,097,140 million cubic feet of natural gas. Energy Info. Admin., *U.S. Natural Gas Total Consumption (Million Cubic Feet)* at Table 1, <http://tonto.eia.doe.gov/dnav/ng/hist/n9140us2A.htm> (last visited May 3, 2011).

⁵ For example, according to NOAA, commercial fish landings in Virginia, North Carolina, South Carolina, and Georgia in 2008 were worth approximately \$262.8 million for the region. National Marine Fisheries Service, Annual Commercial Landing Statistics, http://www.st.nmfs.noaa.gov/st1/commercial/landings/annual_landings.html (last visited May 3, 2011).

⁶ Report on the compatibility of Department of Defense (DoD) activities with oil and gas resource development on the Outer Continental Shelf (OCS) (Feb. 15, 2010), *available at* http://www.acq.osd.mil/ie/offshore/dod_ocs_rept_02152010_release.pdf

⁷ U.S. Department of Energy, Energy Efficiency & Renewable Energy, Choosing a More Efficient Vehicle, <http://www.fueleconomy.gov/feg/choosing.shtml> (assuming 15,000 miles of driving annually and a fuel cost of \$3.79) (last visited May 3, 2011).

⁸ American Public Transportation Association, Public Transportation Benefits, Facts, <http://www.apta.com/mediacenter/ptbenefits/Pages/FactSheet.aspx> (last visited May 3, 2011).

⁹ Press Release, The House of Committee on Natural Resources (Feb. 18, 2011), *available at* <http://democrats.naturalresources.house.gov/press-release/republicans-side-big-oil-reject-53-billion-taxpayer-savings> (last visited May 3, 2011).

¹⁰ Autumn Hanna and Benjamin Schreiber, Green Scissors 2010, at 7 (2010), *available at* <http://www.greenscissors.com/GreenScissors2010.pdf>.

¹¹ University of Massachusetts at Amherst and Center for American Progress, The Economic Benefits of Investing in Clean Energy, (June 2009), *available at* http://www.americanprogress.org/issues/2009/06/pdf/peri_report.pdf.