

## **FAIRBANKS DAILY NEWS MINER:**

### **House votes to allow drilling off the nation's coasts Young calls bill an 'absolute charade'**

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WASHINGTON — House Republicans finally got the vote on offshore drilling they'd been clamoring for all summer in response to high gas prices that have made energy a major pocketbook issue for voters.

The bill drafted by Democratic leaders would allow drilling in federal waters as close as 50 miles from shore along the Atlantic and Pacific seaboard if states agree to permit energy development off their coasts.

But the bill contained several "poison pills" that made it unpalatable to Republicans, who blasted it as nothing more than a political ploy to provide cover for Democrats from conservative states that favor drilling.

And Democrats blocked consideration of a Republican alternative that would have opened all federal waters up to three miles from the coast and allowed drilling in a portion of the Arctic National Wildlife Refuge.

Republicans protesting the bill postponed a vote until late in the evening, but it finally passed late Tuesday night by a vote of 235 to 189, with 15 Republicans crossing party lines to vote in favor of the bill and 13 Democrats voting against the measure.

Alaska Republican Rep. Don Young called the Democrats' bill a "charade" that leaves most untapped offshore areas off limits.

"This is a terrible bill and an absolute charade to the American people," Young said.

The package was the product of weeks of bitter partisan debate over energy policy that saw Democratic leaders bend their promise to hold the line against any new drilling proposals.

But Young and his GOP colleagues said the proposal was nothing more than a ruse and that Democrats were continuing to play politics with national energy policy despite rising prices at the pump.

"You can get more energy out of this bill ... if you take all the copies and put them in a bonfire," Young said. "And that is not good for this House or this nation."

Republicans argue the bill blocks access to the most promising offshore prospects, especially in the eastern Gulf of Mexico, and did not include revenue sharing with coastal states as an incentive to allow drilling.

“And they will say ‘no’ because there’s no revenue sharing in this bill,” Young said of coastal states. “None.”

Under the GOP alternative, Alaska and other coastal states would have been entitled to 37.5 percent of revenues generated from oil production off their shores.

Republicans also complained the Democratic measure lacked any mention of nuclear energy, clean coal, expanding refinery capacity or litigation reform. And, they said, it imposed new taxes on oil companies.

The American Petroleum Institute, an oil industry trade group, said the bill would do little to increase domestic production and could result in less production because it raises taxes on oil companies.

The bill repeals \$18 billion in tax breaks for the five largest oil companies and forced companies to pay royalties on existing deep-water leases in the Gulf of Mexico that are now exempt.

The bill was designed to do little more than provide political cover for Democrats from oil-patch states, who can now say they voted for expanded drilling, Young said.

Young said he saw “absolutely no” chance of an energy bill passing the Senate — which is expected to take up its own proposal later this week — before the November elections. Congress is set to recess Sept. 26.

“We all know this is a political gimmick. It’s never going to go anywhere,” Young said. “It’s not going to become law.”

President Bush issued a veto threat to the bill on Tuesday, saying it would raise energy prices for consumers.

Republicans expressed anger over the fact that House Speaker Nancy Pelosi, D-Calif., unveiled details of the bill only late Monday night, leaving little time for minority members to review the 290-page proposal.

Democrats also brought the bill to the floor under special rules that barred members from offering amendments.

Pelosi said the measure was a compromise that will boost domestic oil and natural gas production while investing in the development of renewable energy, such as wind and solar energy.

“It’s time for an oil change in America,” Pelosi said, adding that Republicans “must set aside their drill-only mentality.”

The proposal would dedicate federal dollars to the development of ethanol from cellulosic material, such as switchgrass and corn stover. It also contains energy conservation measures and a requirement that utilities generate at least 15 percent of their electricity from renewable sources of energy.

“This energy legislation is the result of reasonable compromise that will put us on the path toward energy independence by expanding domestic supply, protect consumers with strong action to lower the costs of energy and to protect taxpayers by making Big Oil pay for its fair share of our transition to a clean, renewable energy future,” Pelosi said.

Republican members labeled it the “no energy” bill, claiming it prohibited exploration in as much as 88 percent of the outer continental shelf.

Democrats dismissed Republican objections as grandstanding.

Environmental groups, many of whom oppose any increase in domestic drilling, were no more pleased with the proposal than Republicans.

“This bill does too little to bring about America’s clean energy future,” said Betsy Loyless, National Audubon Society senior vice president.

Democrats, however, face a no-win situation with the energy bill. Under pressure from Republicans to respond to high gas prices, they also face the likelihood that the existing ban on offshore drilling could expire at the end of the month if they don’t strike a deal to extend it.

President Bush lifted the presidential ban earlier this summer.

Without the moratorium, drilling would be allowed within three miles of the Atlantic and Pacific coasts.