House Votes to Lift Drilling Moratorium

On Thursday, May 12, the United States House of Representatives voted 243 to 179 to lift the offshore oil drilling moratorium. The bill could allow further oil and gas exploration in American oceans. Entitled the "Reversing President Obama's Offshore Moratorium Act," the House-passed legislation demands that the Interior Department set a production goal of three million barrels of oil per day for it 2012-2017 leasing plan.

Three years ago, the House and Senate lifted a 27-year congressional ban on off-shore drilling in the Arctic, Atlantic, and Pacific Oceans. At the same time, then-President George W. Bush lifted a presidential ban on offshore drilling that was implemented by his father, George H.W. Bush, and maintained by President Clinton.

When President Obama was elected, he purported to want to expand on the plan with further oil and gas exploration, though that plan did not include the Northeast or West coasts, since Obama's supporters in those areas were opposed to drilling. Obama's plan instead included the Arctic and the Gulf of Mexico.

The British Petroleum oil spill of April 2010 put an end to those plans, however. The spill prompted a six-month moratorium on oil exploration in the Atlantic and Gulf, which was scheduled to expire on November 30, 2010.

On December 1, 2010, however, Interior Secretary Ken Salazar implemented another moratorium, which would remain in effect for seven years.

In order to reach that national goal of three million barrels of oil per day, the bill requires the sale of leases off the coast of Southern California, in the Arctic Ocean, off Alaska's Bristol Bay, and in the Atlantic Ocean from Maine to North Carolina.

According to Fox News, the specifics of the bill are as follows:

- Require the administration to allow drilling in at least 50 percent of the Outer Continental Shelf areas known to contain the most oil and gas. Specifically, that means southern California, the Arctic, mid-Atlantic and Eastern Gulf of Mexico.
- Open up other areas in the southern Atlantic and allow governors there to to opt in to the plan if they chose.
- Require the federal government to establish production targets for oil and gas. Currently, that would mean 3 million barrels a day of oil, or roughly three times more than the U.S. currently produces from offshore sources.

Republican supporters of the bill contend that it, coupled with two other drilling bills that had been passed earlier in the month, can create over 1 million jobs and can reduce the price of oil. According to the Congressional Budget Office, the offshore lease sales alone could bring in $800 million over the next ten years.

Perhaps not surprisingly, the Obama administration has articulated its opposition to the bill, claiming that the proposal allegedly undermines the current leasing process. The White House also asserts that the new measure mandates drilling leases without requiring the input of those states affected by the leases.

It will also reduce American dependence on foreign oil by as much as one-third in approximately 10 years.

Randall Luthi, president of the National Ocean Industries Association, explains, "We would probably have enough oil to drive our 60 million cars for about 25 years and heat 60 million homes for probably about 50 years." He adds, "For 25 years, as other nations of the world were actively exploring their Outer Continental Shelf, we basically shut off all the West Coast and East Coast. This bill will help at least open up the idea of looking at these areas again."

Advocates of the bill note its necessity, as 98 percent of America's offshore oil is virtually off-limits, and gas has reached, and in some cases surpassed, $4 per gallon.

Republicans assert President Obama is the one thing standing between America and its own resources and believe that the President's plan was never to expand offshore drilling, but to in fact cut off large portions of coastal waters to exploration. Evidence of this assessment can be found in the fact that after President Obama imposed the six month drilling moratorium in the United States, he approved a transfer of $2 billion in American tax dollars to help fund the oil exploration of the Brazilian oil company Petrobras, a company that was drilling at nearly twice the depth that was banned in the United States. By banning deepwater drilling in the United States, President Obama was virtually eliminating all American competitors of Petrobras.

Opponents in California have already announced that they will fight plans to drill off their coast, even if it would turn out 10 billion barrels of oil. California's Lt. Gov. Gavin Newscom said of the bills passed this month, "These three measures do nothing to reduce gasoline prices but would increase the risk of another oil disaster and open pristine areas to drilling. This package of bills is contradictory to the renewable energy policies we should be pursuing."

Tupper Hull of the Western States Petroleum Association disagrees. "The reality is, according to the U.S. Department of Energy, in 2035 better than 80 percent of our energy will come from fossil fuels. And that assumes an explosive growth in volume of the alternative and renewable fuels."

Unfortunately, it seems unlikely that the passed legislation will be heard on the Senate floor, as indicated by Senate Majority Leader Harry Reid. Republicans may instead have to add amendments to existing bills that could result in limited and narrow offshore drilling.