



Congress of the United States House of Representatives

June 25, 2008

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, D.C. 20515

Madame Speaker,

As you know, we are just days away from the Independence Day District Work Period. If your constituents are like mine, the number one issue on their minds is skyrocketing energy prices. Congress should not leave town this week until we vote on meaningful solutions to increase the supply of American energy and help lower gas prices. Unfortunately, the House has yet to consider any such legislation this week.

Media reports, however, continue to suggest that Democratic leaders may schedule “use it or lose it” legislation that does nothing to bring down prices at the pump and has been widely discredited by independent experts. I want to address three main points about this bill:

- **“Use It or Lose It” is Already Federal Law.** The American people want more American energy production, but you and I both know that “use it or lose it” is already current law because we voted for it in 1992, along with Majority Leader Steny Hoyer (D-MD) and Natural Resources Committee Chairman Nick Rahall (D-WV). Indeed, current law already requires that commercially-viable oil and gas leases are developed in a timely manner. Federal lease holders must produce oil or natural gas within five to 10 years, and the Interior Secretary may cancel any lease if a company fails to comply.
- **68 Million Acres.** The notion that energy companies are sitting on 68 million acres of federal lands, especially when the price of a barrel of oil is more than \$140, without exploring or drilling for oil and gas cannot be backed up with any facts. Companies already are actively exploring their currently-leased lands, and once they determine that oil or gas reserves are present only then can they actually begin drilling. The entire process can take years. Moreover, the federal lands currently under lease for exploration are not producing much oil and gas in the first place – only about a quarter of those lands are generating any energy, according to a *Wall Street Journal* account published earlier this month.
- **“4.8 Million Barrels of Oil Per Day.”** Over the past few weeks several Members of your Caucus – including the Caucus Chairman – have cited what seems to be misleading

and inaccurate information regarding this bill, including the claim that “4.8 million barrels of oil per day and 44.7 billion cubic feet of natural gas per day may be ‘extrapolated’ from the oil companies’ ‘unused’ federally-leased lands.” No independent authority or organization has substantiated this claim. A letter sent by our Ranking Member on the Natural Resources Committee to Chairman Rahall, asking how the numbers were developed, has gone unanswered. And earlier this week, the American Association of Petroleum Geologists (an independent group funded by member fees, not oil companies) wrote us both to explain the process of developing oil and gas leases, which completely exposes and contradicts the rhetoric some of your Members have used in an attempt to justify this legislation.

I remain committed to working in a bipartisan manner to increase the supply of American energy and help lower prices at the pump, but I am sure you agree that the House should not act on any legislation that is based on misleading or inaccurate information. I would respectfully request that you or another Member of your Caucus such as Chairman Rahall provide some credible analysis to support the claims made on behalf of this “use it or lose it” bill. I look forward to your response.

Sincerely,

A handwritten signature in blue ink that reads "John". The signature is stylized and cursive, with the "J" and "B" being particularly prominent.

John Boehner
Republican Leader