

THE WHITE HOUSE

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Reducing Gas Prices And Foreign Oil Dependence

President Bush Urges Congress To Expand Domestic Oil Production

Today, President Bush called on Congress to help American families by removing barriers to domestic production of oil and gasoline. For many Americans, there is no more pressing concern than high gasoline prices. Behind them is the basic law of supply and demand. In recent years, the world's demand for oil has grown dramatically. Meanwhile, the supply of oil has grown much more slowly. As a result, oil prices have risen sharply, and that increase has been reflected at American gas pumps. And now much of the oil consumed in America comes from abroad, including from unstable regions and unfriendly regimes. The Bush Administration has repeatedly called on Congress to expand domestic oil production. Unfortunately, Congressional Democrats have rejected virtually every proposal. Now, Americans are paying the price at the pump for this obstruction.

Congress Needs To Respond Now To The President's Call To Expand Our Domestic Production

President Bush asks Democratic Congressional leaders to move forward with four steps to expand American oil and gasoline production. With these four steps, we will take pressure off gas prices over time by expanding the amount of American-made oil and gasoline; strengthen our national security by reducing our reliance on foreign oil; and strengthen our ability to convince foreign producers to increase their oil and gas production. The results will not be immediate, but the sooner Congress acts, the sooner Americans will be better off. Specifically, to expand American oil production, Congress should:

1. Increase access to the Outer Continental Shelf (OCS). Experts believe that areas under leasing prohibitions on the OCS could produce about 18 billion barrels of oil. Actual resources may be greater, but we will not know until exploration is allowed. The problem is that Congress has restricted access to much of the OCS since the early 1980s. Since then, advances in technology have made it possible to conduct oil exploration in the OCS that is out of sight, protects coral reefs and habitats, and protects against oil spills. With these advances – and a dramatic increase in oil prices – these Congressional restrictions have become outdated and counterproductive.

- **Republicans in Congress have proposed several promising bills that would lift the legislative ban on oil exploration in the OCS. President Bush calls on the**

House and Senate to pass such good legislation as soon as possible. This legislation should give the States the option of opening up OCS resources off their shores and ensure the environment is protected. There is also an Executive prohibition on exploration in the OCS. When Congress lifts the legislative ban, the President will lift this Executive prohibition.

2. Tap into the extraordinary potential of oil shale. Oil shale is a type of rock that can produce oil when exposed to heat or other processes. In one major deposit – the Green River Basin of Colorado, Utah, and Wyoming – there lies the equivalent of about 800 billion barrels of recoverable oil. If it can be fully recovered, it would equal more than a century's worth of currently projected oil imports.

- **Oil shale is a highly promising resource.** For many years, the high cost of extracting oil from shale exceeded the benefit, but today, companies are investing in technology to make oil shale production more affordable and efficient. While the cost of extracting oil from shale is still more than the cost of traditional production, it is also less than the current market price of oil.
- **Democrats in Congress are standing in the way of further development.** Last year, Democratic leaders used the omnibus spending bill to insert a provision blocking oil shale leasing on Federal lands – President Bush calls on Congress to remove that provision immediately.

3. Permit exploration in the Arctic National Wildlife Refuge (ANWR). In 1995, Congress passed legislation allowing oil production in a small fraction of ANWR's 19.6 million acres, yet President Clinton vetoed the bill. With a drilling footprint of less than 2,000 acres – about 0.01 percent of this distant Alaskan terrain – America could produce an estimated 10.4 billion barrels of oil. This is the equivalent of roughly two decades of imported crude oil from Saudi Arabia.

- **Scientists have developed innovative techniques to reach ANWR's oil with virtually no impact on the land or local wildlife.** These techniques are currently being utilized successfully in other areas. President Bush urges Members of Congress to allow this remote region to bring enormous benefits to the American people.

4. Expand and enhance our refinery capacity. It has been 30 years since our Nation built a new refinery, and upgrades in our refining capacity are urgently needed. Refineries are the critical link between crude oil and the gasoline and diesel fuel that drivers put in their tanks. America now imports millions of barrels of fully-refined gasoline from abroad, imposing needless costs on American consumers and depriving American workers of good jobs.

- **President Bush is proposing measures to expedite the refinery permitting process.** The President proposes that challenges to refineries and other related energy project permits must be brought before the D.C. Circuit Court of Appeals within 60

days of the issuance of a permit decision. In addition, the President proposes that the Secretary of Energy be empowered to establish binding deadlines for permit decisions and to ensure that the various levels of approval required in the refinery permitting process are all handled in a timely way. And Congress should allow new refineries to be built on abandoned military bases.

These Proposals Will Take Years To Have Their Full Impact, But That Is No Excuse For Delay

For the long run, we are dealing with the demand for oil by promoting alternative energy technologies. President Bush's Administration has worked with Congress to invest in gas-saving technologies like advanced batteries and hydrogen fuel cells, mandated a large expansion in the use of alternative fuels, and raised fuel efficiency standards to ambitious new levels. With all these steps, we are bringing America closer to the day when we can end our addiction to oil.

- **Building on this progress, President Bush announced the "Twenty in Ten" initiative in his 2007 State of the Union address.** Congress responded to this challenge and passed and the President signed, the Energy Independence and Security Act of 2007 (EISA), which mandates that fuel producers use at least 36 billion gallons of biofuel by 2022. EISA also requires a national fuel economy standard of 35 miles per gallon by 2020 – which will increase fuel economy by 40 percent and save billions of gallons of fuel.