

# News Release



IPAMS  
410 17<sup>th</sup> Street, Ste. 700  
Denver, CO 80202

Date: September 08, 2008  
Contact: Jon Bargas  
(303) 623-0987  
[jbargas@ipams.org](mailto:jbargas@ipams.org)

## Senate 'Gang of 16' Proposal Will Do Little to Solve Energy Challenges

*IPAMS applauds call for increased domestic development; warns against penalizing today's energy to pay for tomorrow's*

(DENVER)- The Independent Petroleum Association of Mountain States (IPAMS) today called on Congress to defeat proposals by the Senate bi-partisan "Gang of 16" that would make domestic energy development more expensive and increase costs to American consumers and businesses.

"American families are looking to Congress for help in lowering the high prices they are paying for energy," said Marc Smith, IPAMS Executive Director. "Instead, Congress is proposing the same old failed policies of the past that will actually result in higher prices for American families and businesses while making it even more difficult for domestic energy producers to meeting our nation's energy demands."

The current Senate Gang of 16 proposals would raise taxes on domestic energy producers in order to subsidize futuristic sources of energy such as wind and solar.

"We are encouraged that many leaders in the Democratic Party, including Senator Obama, Speaker Pelosi, and Congressman Udall, are beginning to acknowledge the value of increased domestic drilling, and we look forward having an open and honest discussion with the Senate bi-partisan Gang of 16 about how we can best meet our common goals and compromise on our areas of concern," said Smith. "We will remind Congress that while most of the discussion surrounding our current energy problems has been centered on off-shore drilling, the Intermountain West, as the source of 25% of our nation's natural gas is key to meeting our nation's energy challenges.

"If Congress is really concerned about increasing energy development on onshore federal lands, they should make a federal lease a 'green light' to develop energy by passing regulatory reforms that ensure government agencies issue permits and environmental analyses within reasonable timeframes and curb the abuses of frivolous lawsuits and protests designed to slow natural gas development.

"While we support the Senate Gang of 16 in their efforts to increase domestic energy supplies, we are worried that the tax increases they put forward would reduce the development of vital energy resources and increase energy costs for consumers," continued Smith. "These tax increases would reduce the capital available to independent domestic energy producers, who invest up to 150% of cash flow into finding and developing more oil and natural gas, thereby decreasing domestic supplies of energy and driving up prices for American consumers and businesses.

(more)

# News Release



IPAMS  
410 17<sup>th</sup> Street, Ste. 700  
Denver, CO 80202

"Our industry is also concerned about proposals that would penalize today's energy sources to pay for energy that may be available in the future, and history shows the folly of such an approach. The last time a punitive tax was imposed on the industry – a windfall profits tax in the 1980s – the result was an 8% reduction in domestic oil production and a 13% increase in the dependence on foreign oil, while only generating 20% of the gross revenues projected. We hope Congress will remember that now is not the time to impede development of any domestic energy resource — we need all we can get!" concluded Smith.

###

*The Independent Petroleum Association of Mountain States (IPAMS), founded in 1974, is a non-profit trade association representing more than 400 independent oil and natural gas producers, service and supply companies, banking and financial institutions and industry consultants committed to environmentally responsible oil and natural gas development in the Intermountain West. More information on IPAMS and its members is available at [www.ipams.org](http://www.ipams.org).*