

# CAN WE DRILL OUR WAY TO LOWER FUEL PRICES?

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## Argument 1:

**Drilling more oil and gas wells will reduce gasoline prices.**

## Counterargument:

According to the U.S. Department of Energy, the total additional oil that could be brought into production from drilling in the Arctic National Wildlife Refuge, the Outer Continental Shelf, and the Rocky Mountain states is likely to be only about 1.2 million barrels of oil a day at peak production. This only adds up to a \$1.20 reduction in the price of a *barrel* of oil, which is currently well over \$140.<sup>i ii iii</sup> If this drop were to reduce pump prices at all, the savings would be mere pennies (only about 3 cents a gallon according to Department of Energy figures) and would not be seen by Americans for at least another 10 years.

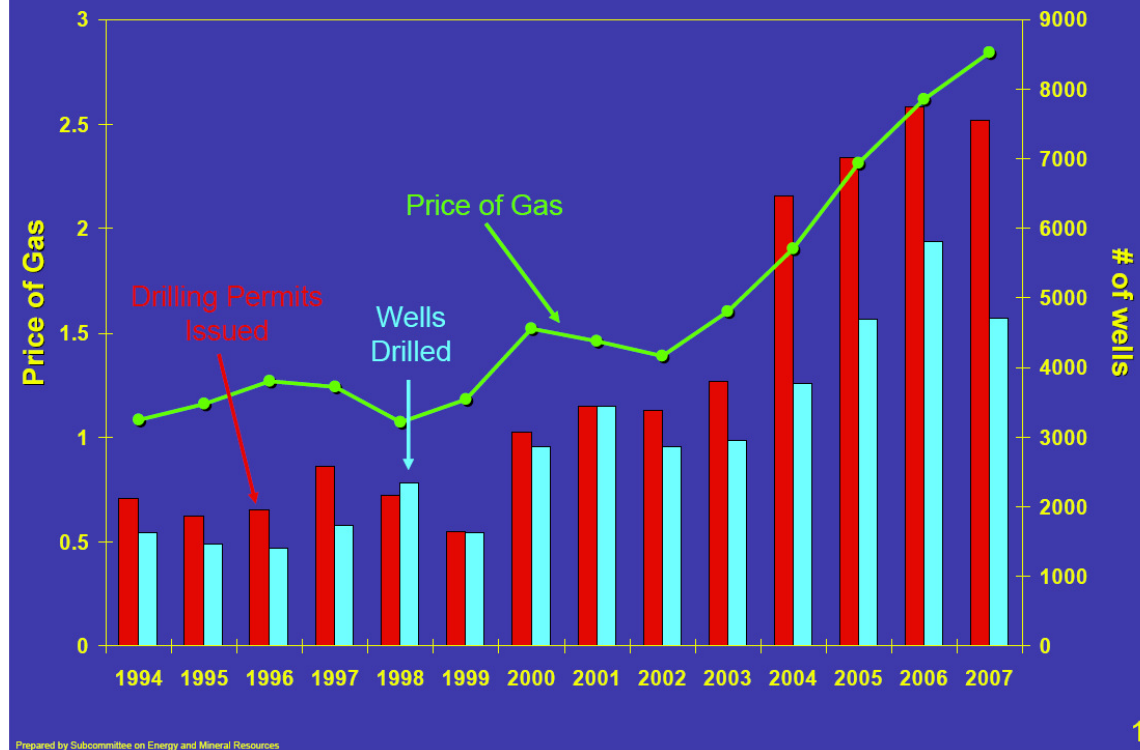
Even in the most optimistic case, drilling in those sensitive areas *combined* would possibly garner a savings at the pump of only 4-5 cents a gallon in 2025. Even the Department of Energy admits that: “Because oil prices are determined on the international market, however, any impact on average... prices is expected to be insignificant.”<sup>iv</sup> Any oil pumped here would go right into that international market, where we'd have to bid for it right alongside India, China and other nations.

In fact, a record 1.6 million barrels a day in U.S. refined petroleum products were exported from January-April of this year, up 33 percent over the same period in 2007. This surge in exports seems to contradict arguments of supporters who want to increase domestic drilling in order to help alleviate fuel shortages in the U.S. The bottom line is profit -- domestically drilled oil will not stay in the U.S. if another nation is willing to pay more for it.

Despite the fact that drilling will not help consumers at the pump, the industry continues to push for more drilling permits on public lands. This strategy is little more than an attempt to control more land and reap bigger and bigger profits. Between 1999 and 2007, the number of drilling permits issued for development of public lands increased by more than 361%, yet gasoline prices have also risen dramatically. There is no correlation between more drilling and lower gasoline prices.

Even if increased domestic drilling could affect the price of gasoline, there is yet no justification to open additional federal lands because oil and gas companies have shown that they cannot keep pace with the rate of drilling permits that the federal government is handing out. In the last four years, the Bureau of Land Management has issued 28,776 permits to drill on public lands; yet, in that same time, 18,954 wells were actually drilled. That means that companies have stockpiled nearly 10,000 extra permits to drill that they are not using to increase domestic production.

## Does Drilling More Lower Gas Prices? NO



### Argument 2:

Vast quantities of oil and gas beneath public lands are closed to energy development.

### Counterargument:

According to the Department of the Interior, only 38% of the oil and 16% of the natural gas are excluded from leasing – largely because those resources are underneath National Parks and wilderness areas that have significant scenic, recreational and wildlife values.

Industry already has more lands than it can drill. Onshore, of the 47.5 million acres of federal lands leased by oil and gas companies, only about 13 million acres are actually producing oil and gas. Offshore, only 10.5 million of the 44 million leased acres are currently producing oil or gas. Industry isn't developing most of the public lands it already has under lease. Although we object to some of the areas under lease, we believe that **the oil and gas industry should make better use of existing leases before it attempts to lock up more public lands in environmentally fragile areas.**

### Argument 3:

**Opening the 19.2 million acre Arctic National Wildlife Refuge (ANWR) in Alaska to drilling would reduce today's gasoline prices.**

### Counterargument:

The Energy Information Administration (EIA) estimates that it will require 8 to 10 years after opening ANWR before oil is produced. According to the EIA, opening ANWR could reduce U.S. crude oil imports, but not until 2022-2026 and only by a few percentage points.

Oil prices are set on a global market. Historically, increases in U.S. oil production have had little impact on those prices. If commercial quantities of oil are discovered in ANWR, the effect would be a reduction of just a few pennies per gallon during peak production.

During the next two decades, US oil imports as a percentage of consumption will decrease, a dramatic shift in US energy policy. The reasons for this decrease are improvements in energy efficiency and conservation and the use of alternative energy and new technologies that will reduce our nation's need for oil between now and 2050 by 100 million barrels – that's 10 times the amount of oil that ANWR could provide.

### Argument 4:

**We need to increase domestic drilling in order to achieve energy independence and increase homeland security.**

### Counterargument:

More drilling will not achieve "energy independence." At current consumption levels, U.S. resources are inadequate to achieve energy independence. **The United States contains 2.5 % of the world's oil resources and 3% of world natural gas resources. But we account for 24% of total world consumption of oil and 22% of natural gas consumption.** The U.S. could drill every national park, wildlife refuge, and coastline and still be importing 60 percent of the oil we use. Opening more areas to drilling in the U.S. can never make us less dependent on foreign oil or natural gas.

Additionally, because oil and petroleum products are traded globally, there is no guarantee that oil drilled in the U.S. will stay in the U.S. In fact, a record 1.6 billion barrels a day in U.S. refined petroleum products were exported from January-April of this year, up 33 percent over the same period in 2007. The bottom line is profit -- domestically drilled oil will not stay in the U.S. if another nation is willing to pay more for it.

The only way we will ever reduce our dependency is to reduce our consumption. Federal legislation that promotes clean, alternative energy and cuts global warming pollution will

reduce our oil imports four times more than drilling in the pristine wildlife habitat of the Arctic National Wildlife Refuge, off our beaches, and in the Rocky Mountains *combined*. A study by the Massachusetts Institute of Technology found that under the Climate Security Act, U.S. petroleum consumption would drop by nearly half by 2030—saving far in excess of the amount of oil we could ever pull from Alaska or the coasts.

### **Argument 5:**

**There are too many environmental restrictions on drilling.**

### **Counterargument:**

Many of these environmental restrictions are what help keep our drinking water and the air we breathe clean. They also help conserve wildlife and lands for recreation.

Even with current environmental restrictions, wildlife and clean water and air are taking a hit from drilling. During the first four years of development on the Pinedale Anticline natural gas field in Wyoming the overall wintering mule deer population dropped by 46%. The Greater sage-grouse may require listing under the Endangered Species Act, in part, as a result of damage to its habitat from oil and gas drilling. This past year in Colorado, over 1 million gallons of polluted, industrial drilling mud was accidentally spilled into the West Parachute Creek on the Roan Plateau. Drilling also pollutes the air. The oil industry on Alaska's North Slope annually emits approximately 70,000 tons of nitrogen oxides, an important component of smog. According to the Environmental Protection Agency, this is more than twice the amount emitted by the city of Washington, D.C. The small town of Pinedale, Wyoming (pop. 1412), which sits just 100 miles south of Grand Teton National Park, experienced its first hazardous ozone alerts this past winter as a result of emissions from nearby drilling operations.

These are just a few examples of the impacts to wildlife, water and air from drilling. We would see many more if current environmental restrictions are loosened or relaxed.

### **DEBATE TIP:**

Our facts are from credible sources -- the U.S. Department of Energy and the Bureau of Land Management (under the U.S. Department of Interior). A lot of other "information" is out there (mostly based on opinion) so call others out on their lack of credible sources when presenting your arguments.

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<sup>i</sup> U.S. Department of Energy, Energy Information Agency, "Analysis of Crude Oil Production in the Arctic National Wildlife Refuge" May 2008 [http://www.eia.doe.gov/oiaf/servicerpt/anwr/pdf/sroiaf\(2008\)03.pdf](http://www.eia.doe.gov/oiaf/servicerpt/anwr/pdf/sroiaf(2008)03.pdf)

<sup>ii</sup> U.S. Department of Energy, Energy Information Agency, "Impacts of Increased Access to Oil and Natural Gas Resources in the Lower 48 Federal Outer Continental Shelf" 2007. [http://www.eia.doe.gov/oiaf/servicerpt/anwr/pdf/sroiaf\(2008\)03.pdf](http://www.eia.doe.gov/oiaf/servicerpt/anwr/pdf/sroiaf(2008)03.pdf)

<sup>iii</sup> U.S. Department of Energy, Energy Information Agency, "State Energy Profiles" <http://tonto.eia.doe.gov/state/>

<sup>iv</sup> U.S. Department of Energy, Energy Information Agency, "Impacts of Increased Access to Oil and Natural Gas Resources in the Lower 48 Federal Outer Continental Shelf" 2007. <http://www.eia.doe.gov/oiaf/aeo/otheranalysis/onqr.html>