

Resolution on Domestic Energy Production

WHEREAS, The nation's demand for energy continues to increase at a faster pace than the supply of energy, resulting in rising prices in nearly every sector of the energy economy; *and*

WHEREAS, High energy prices have a negative impact on the nation's economy and lead to job losses; *and*

WHEREAS, Low income individuals and those on fixed incomes, who must spend a higher proportion of their incomes on energy than those with higher incomes, are particularly hard hit by high energy prices; *and*

WHEREAS, Federal Reserve Chairman Alan Greenspan has warned Congress that high natural gas prices "have been a long time in coming, and futures prices suggest that we are not apt to return to earlier periods of relative abundance and low prices anytime soon;" *and*

WHEREAS, The nation possesses large untapped deposits of both oil and natural gas in the State and federal waters of the Atlantic and Pacific Oceans and Gulf of Mexico, which, if developed, could increase energy supplies and thereby both mitigate rising energy prices and reduce our nation's dependence on foreign energy sources; *and*

WHEREAS, The Outer Continental Shelf contains large oil reserves and over half the nation's proven natural gas reserves; *and*

WHEREAS, Offshore oil and gas can be produced in an environmentally safe manner, as evidenced by the production off the shores of Texas, Louisiana, Mississippi, and Alabama; *and*

WHEREAS, Regulatory and tax barriers currently exist that inhibit offshore oil and natural gas exploration and production in the United States; *and*

WHEREAS, NARUC recognizes the particular concerns of States affected by offshore drilling; *now therefore be it*

RESOLVED, That the National Association of Regulatory Utility Commissioners (NARUC) convened in its November 2004 Annual Convention in Nashville, Tennessee, encourages State and Federal policy makers to consider:

Removing existing moratoriums to oil and gas exploration and production in both State and federal coastal waters of the coast of the States that agree to such removal, while also urging State and federal policy makers to ensure that offshore oil and gas production practices are environmentally sound; *and*

Expanding State boundaries seaward from the current three miles and giving each State the right to control all resource development within their expanded boundary; *and*

Providing enhanced royalties to States that choose to allow new production off their shores, thereby providing a significant new revenue source for coastal States.

Sponsored by the Committee on Electricity and the Committee on Gas

Adopted by NARUC November 17, 2004