



## ***MEDIA RELEASE***

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### **FOR MORE INFORMATION**

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### **SIERRA CLUB STATEMENT ON PASSAGE OF H.R. 4761**

**NEW ORLEANS** – *Statement by Leslie March, chair of the Sierra Club's Delta (Louisiana) Chapter, on the passage today of H.R. 4761:*

H. R. 4761, a bill sponsored by Louisiana's Representative Bobby Jindal, is the wrong way to achieve Louisiana's goal of a steady stream of funding for restoring our coastal environment. The bill protects the interests of Big Oil and puts America's coastlines in peril.

Here in Louisiana, we know oil and gas exploration and production activities come with a heavy price for the environment. The activities are directly tied to the extreme loss of coastal wetlands. This was well documented before Katrina and Rita. Oil and gas left a heavy footprint on our interior wetlands and cypress-tupelo swamps. Despite public and governmental knowledge of what kind of damage has occurred, numerous permit applications are submitted daily for activities in Louisiana's already-impacted coastal areas. These permits contain language that requires mitigation of damages, yet the oil companies continue to find ways to avoid restoring the damage that they cause. H.R. 4761 would open up all of America's coastlines to a future of damage and destruction. As we try to find the billions of dollars it will take to restore our coast, we extend our condolences to any state that thinks that they want this kind of industry.

Oil exploration is very lucrative because it is based on speculation. H. R. 4761 takes chance out of the picture by covering the cost of Big Oil. For instance, if a natural gas lease is found to contain a large oil deposit rather than natural gas, the taxpayers will be required to pay back the cost of the lease in full, plus all expenses that the leaseholder might have incurred – seismic costs, drilling costs - and even the "cost" of selling the lease back to the taxpayers. Then, the leaseholder will have first dibs on buying the lease back as an oil and gas lease on a noncompetitive basis for the same price. The bill removes the risk of speculation from the leaseholder, and places it in the hands of the taxpayer. This is like going to a casino, losing money and then having the government pay you back the money you lost plus valet parking, mileage and meals.

H.R. 4761 is touted by Jindal, in his 6/21/2006 E-newsletter: "After decades of Louisiana fighting for its fair share, we are now closer than ever before to getting the money that will allow us to increase flood and hurricane protection, restore our coastline, and

improve the state's infrastructure.” What he fails to tell you is that H. R. 4761 doesn't guarantee coastal restoration. In fact, although funds could be spent on environmental restoration, the bill specifically spells out a number of other potential uses, including energy infrastructure, and “for any other purpose as determined by state law.”

H.R. 4761 does not guarantee Louisiana its fair share unless we are willing to allow new drilling off our coast. This bill lifts the moratorium on offshore drilling. The revenue sharing is only for new leases.

H.R. 4761 is business as usual. Instead of protecting and restoring our environment, it will open up areas that have been preserved and protected. Instead of requiring oil and gas companies to mitigate the existing damage, it invites them to dig in and do speculative drilling on the taxpayer's dime.

In conclusion, H.R. 4761 is a destructive bill; it will do very little to reduce our dependence on oil or cut gas prices. It will not provide a steady stream of money to pay for coastal restoration. What it will do is reward states for drilling as close to shore as they can so they receive the maximum revenue sharing if oil or natural gas is found. Drilling is by far the slowest, dirtiest, most expensive way to meet our energy needs. Now, more than ever, our nation needs to look at energy conservation, alternative fuels and reducing greenhouse gases. We need forward-thinking leadership when it comes to energy policy, not more giveaways to the profit-laden oil business.

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The Sierra Club's 750,000 members work together to protect communities and the planet. The Club is America's oldest, largest and most influential grassroots environmental organization. The Delta (Louisiana) chapter of the Sierra Club has more than 3,500 members and has been active in local conservation projects for more than 30 years. For more information, contact the organization's website: [www.louisiana.sierraclub.org](http://www.louisiana.sierraclub.org).