



March 20, 2012

Running on Empty

Obama Goes on Energy Excuses Tour, Gas Prices Skyrocket

Instead of proposing an “all of the above” energy plan, President Obama continues to deliver speeches full of excuses about rising gas prices. From his “[Energy Blueprint](#)” to his “[Energy Agenda](#),” the president consistently distorts the facts and misleads the public.

This week, President Obama will deliver four more big speeches about rising gas prices. You can expect to hear his same old energy claims over and over. Meanwhile, gas prices continue to rise, and Americans are feeling the pain at the pump.

Obama Claim #1: America only has two percent of the world’s oil reserves. Truth is proven and undiscovered oil resources total seven times that amount.

- A 2011 Congressional Research Service [report](#) concludes the U.S. has 22.3 billion barrels of proven oil reserves and 140 billion barrels of undiscovered oil resources. Combined, America’s proven oil reserves and undiscovered oil resources total more than *seven times* the energy potential the president claims.

Obama Claim #2: An “all-of-the-above” energy strategy. Truth is the president’s policies are hostile to low-cost domestic fuels, particularly gasoline and other oil products.

- The president’s policies are evidence that his energy strategy does not include oil. He substantially restricts domestic oil exploration on federal lands; constantly discourages consumption of gasoline; and aggressively subsidizes the production and consumption of less reliable, more expensive, alternative fuels.

Obama Claim #3: Using less gasoline will lower prices. Truth is the president ignores supply.

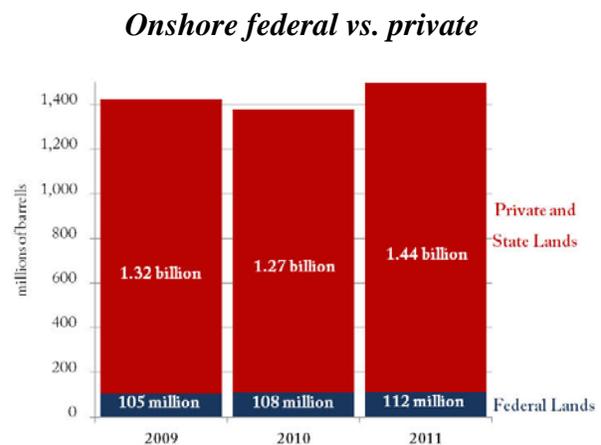
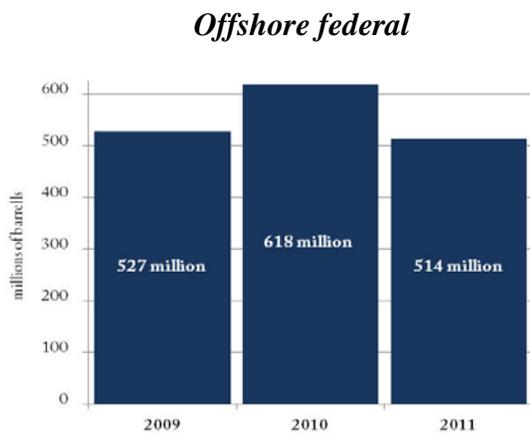
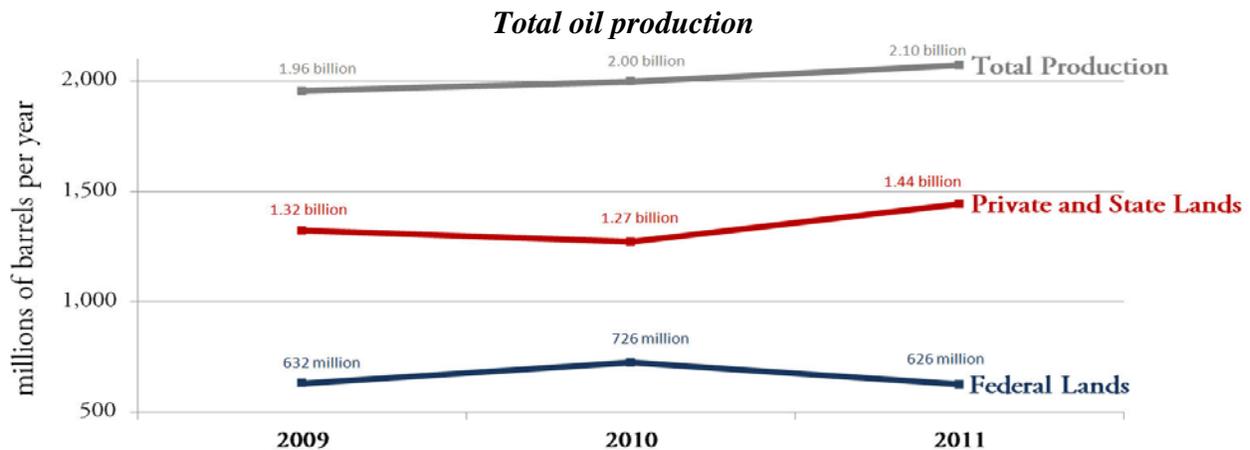
- The continued expansion of domestic crude oil development is vital for mitigating the impact of volatile global oil costs. Expanding North American sources of crude, such as new supply from Bakken and Keystone XL, is critical to protecting consumers against volatile global crude markets.

Obama Claim #4: The president takes credit for less U.S. dependence on imported oil. Truth is less imported oil is due to factors before he took office and to the economic downturn.

- U.S. dependence on foreign oil has been declining since 2005, four years *before* President Obama took office. The Energy Information Administration [attributes](#) recent declines in foreign oil imports to the “downturn in the underlying economy after the financial crisis of 2008.”

Obama Claim #5: The president claims to be producing more oil than any time in the last eight years. Truth is production has increased in spite of the president.

- The president misleads the American people into believing his policies create more oil production today than at any time in the past eight years. In fact, on federal lands the president controls, oil exploration plummeted by 14 percent from 2010 to 2011. Gains in oil production made during the past three years took place on private and state lands not under the president’s control, and *in spite of* his restrictive policies.



Obama Claim #6: The president claims increasing oil supply is a key part of his energy strategy. Truth is the president's policies limit production of domestic oil, keeping supplies tight and sustaining high gas prices.

- The president's proposed offshore oil and gas leasing program for 2012 to 2017 eliminates 50 percent of lease sales provided for in the previous plan, opens less than three percent of offshore areas to energy production, and imposes a moratorium on developing energy from 14 billion barrels of oil and 55 trillion cubic feet of natural gas in the Atlantic and Pacific oceans.

Obama Claim #7: The president claims to have increased the number of oil rigs in the U.S. Truth is the number of oil rigs is a result of policies enacted prior to the president taking office.

- The oil rig [count](#) in the U.S. was 1,293 at the beginning of March 2012, the highest number in 25 years. But again, President Obama's policies are not responsible as production increases have taken place on state and private, not federal, lands. A sample of federal lands shows offshore oil rigs in the U.S. have [declined](#) from 124 a year ago to 115 today.

Obama Claim #8: The president claims to have opened up more land for oil production. Truth is the amount of land open is now less than when the president took office.

- In fiscal years 2009, 2010, and 2011, the *total* number of acres of leased onshore public lands [decreased](#) from 45.4 million acres to 38.5 million acres. Even with more than five million *new* acres, the president's administration leased during the first three fiscal years, the president has presided over a 15 percent *reduction* in total leased onshore public land.

Obama Claim #9: The president claims a high number of new exploration permits in the Gulf of Mexico. Truth is the president double-counts new permits.

- The president claims his administration has approved more than 400 exploration permits. He misleads the American people by counting not just new well permits but well permits granted in five additional categories in connection with *already existing* wells.

Obama Claim #10: The president claims to approve new oil pipelines. Truth is the president is the one who blocked the Keystone XL pipeline and lobbied against it.

- The president tries to take credit for helping to expedite construction of a portion of the very oil pipeline between Oklahoma and Gulf Coast refineries – the Keystone XL pipeline – that he rejected in January and actively lobbied against this month. Since this portion does not cross an international border, President Obama has no actual authority to approve or disapprove the pipeline.

Obama Claim #11: The president blames speculation for oil prices. Truth is no federal study has ever found speculation to be a contributing factor to high gas prices.

- Since 2009, at least five studies by independent government agencies like the Commodity Futures Trading Commission and Federal Reserve, have found that supply and demand factors, not speculation, drive oil prices. The president created an Oil and Gas Price Fraud Working Group last April to investigate possible speculation in the oil markets. The working group's investigation reportedly went [dormant](#) after it failed to prove that oil speculation drove up gas prices in 2011.

Obama Claim #12: The president claims new regulations on cars will reduce gasoline costs. Truth is that the new regulations will cost consumers even more for new cars at the point of purchase.

- The government estimates that new vehicle standards promulgated by the administration will cost consumers about \$3,000, reduce fuel consumption by no more than \$8,000, totaling \$5,000 in savings over the life of a car - *or less than \$200 per year*. Another analysis concluded that the cost of new emissions equipment more than wipes out any fuel savings, *even with gasoline selling at \$6 per gallon*.

Obama Claim #13: The president wants to increase taxes on U.S. energy producers. Truth is the proposed tax increases will increase the cost of gasoline for U.S. consumers.

- Oil production by smaller independent and larger integrated traditional American energy companies is [not](#) subsidized. They do not receive any direct government spending like the failed energy bets President Obama placed on now-bankrupt companies like Solyndra. A CRS [study](#) found that raising taxes on American energy will increase gas prices and “likely increase foreign dependence.”