



## OIL AND GAS:

### House GOP accuses Obama admin of deliberately raising gas prices

John McArdle, E&E reporter

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House Oversight and Government Reform Chairman Darrell Issa (R-Calif.) today suggested that the Obama administration is intentionally trying to boost oil and gas prices as part of a concerted effort to force the green agenda that it was unable to achieve through its failed cap-and-trade effort.

Issa asked U.S. EPA Administrator Lisa Jackson today whether the Obama administration is raising gas prices through "government red tape, regulation, delays and obfuscations."

The line of attack clearly annoyed panel ranking member Elijah Cummings (D-Md.), who panned the assertion as little more than a conspiracy theory first pushed by tea party champion Sarah Palin.

"Former Alaska Governor Sarah Palin has been espousing this exact same theory for several months now," Cummings said. "The problem is that this theory has been debunked -- even by conservatives and industry experts."

Cummings cited a trio of economists and scholars, including former American Petroleum Institute chief economist Michael Canes who has said it was not credible to blame the Obama administration for today's high prices. Those scholars have noted that the cost of oil is set on the worldwide market.

But Issa and Republicans on the panel were undeterred.

Issa's hearing this morning came on the heels of a new report by the committee majority detailing regulatory barriers that the chairman said clearly demonstrates the administration's bias against U.S. fossil fuels. The report is entitled "Rising Energy Costs: An Intentional Result of Government Action."

"Are we seeing through regulation what cannot be done by legislation?" Issa asked.

But Jackson denied assertions about her interest in reviving the dead legislation through the regulatory process.

"We are not pursuing cap and trade under the Clean Air Act," Jackson said. "We cannot and we will not."

Jackson and Deputy Interior Secretary David Hayes spent most of the hearing outlining the ways their agencies are pro-energy development.

Hayes pointed out that last year, oil production in the United States reached its highest level since 2003.

"Our domestic oil and gas production has gone up and exports have gone down," Hayes said. It is a trend President Obama is committed to seeing continue, Hayes added, pointing to a recent White House announcement to open additional lands in the Arctic and Gulf of Mexico for exploration and to increase lease sales.

Jackson offered some praise for hydraulic fracturing, noting that its potential for increasing American natural gas production "is a good thing." But she quickly added that EPA will step in as necessary to protect local residents who may be affected by or have concerns with "fracking," a process that has caused significant outrage in environmental circles.

Cummings suggested that Issa pursue an alternative line of investigation about gas prices that he has said could bring real relief at the pump as soon as this summer. Cummings said the committee should crack down on oil speculation on Wall Street rather than cater to the desires of oil companies by continuing to push for more and more land to be opened up for the purposes of drilling.

This time it was Rep. Patrick McHenry's (R-N.C.) turn to be annoyed.

McHenry wondered how pushing to produce more supply gets Republicans labeled as being supportive of Big Oil.

"When you open up a greater amount of supply it's the small guy that benefits," McHenry said. "When we restrict supply, that increases the profits of the big oil companies ... they can charge more at the pump."