



FREQUENTLY ASKED QUESTIONS

What are big oil profits?

In 2007, the oil industry recorded revenues of approximately \$1.9 trillion, and profits totaled over \$155 billion. Exxon Mobile alone made a profit of \$40 billion last year – or \$1,300 per second.

BP PLC, the world's second-largest publicly traded oil company, reported second-quarter profit of \$7.27 billion.

ConocoPhillips' reported **second-quarter** profits of \$5.44 billion.

Where are you getting the information that the U.S. has more oil and gas rigs than the rest of the world? How many rigs do they have?

According to the Baker-Highes, the Houston oil industry service company, as of July 8th, the U.S. had 1,928 drilling rigs operating on American lands and waters, compared to 1,512 rigs operating throughout the rest of the world.

Why is ANWR and OCS so important to protect? What do we have to lose by drilling?

Drilling in the Arctic Refuge and offshore will cause irreparable harm to these special places without any real benefit to American consumers.

The Arctic National Wildlife Refuge is home to arctic foxes and caribou. It's the most important onshore denning habitat for America's vanishing polar bears. And, each year, millions of birds from all across the country make their way to this special place. Link again to Arctic fact Sheet

The Outer Continental Shelf is the richest part of the ocean. It is an area of relatively shallow ocean surrounding the continent, extending from the shoreline and sloping gently out to the edge of the continental plate. Past this the ocean floor slopes into deep ocean. The relatively shallow waters of the continental shelf allow greater penetration of sunlight, and rich deposits of sediment on the shelf floor provide nutrients not found in the deep ocean. This combination creates an incredibly productive ecosystem that is the nutrient base for ecologically and commercially important species from shrimp to fish to sea turtles and marine mammals

What about technology improvements in Outer Continental Shelf Drilling?

Even with safety protocols in place: each year U.S. drilling operations send an average of 880,000 gallons of oil into the ocean. There is no way to get around the fact drilling facilities are polluting industrial operations.

If we did drill the OCS and ANWR how much more oil would that amount to?

In the Annual Energy Outlook 2007, the Energy Information Administration conducted a case study to determine the effects that drilling for oil on the Outer Continental Shelf would have on oil consumption. They found that at peak production in 2025, this drilling would only produce a meager **220,000 barrels per day**. The EIA also estimates that in 2025 demand for oil in the United States will be 28.3 million barrels per day. This means that at peak production oil from **OCS drilling will only account for less than one percent of daily demand**.

Why not drill more?

We have already been drilling more. In the last 8 years oil and gas drilling on America's public lands has increased by 260% while the price of gas has doubled.

And don't forget that there are costs to drilling. Permanent damage to our public lands from dredging, substantial interference with ecosystems and wildlife and of course the risks that come from pollution, production and transportation.

Our nation is now at a fork in the road, we can continue to follow the road that keeps us addicted to oil or we can take the road, that at this time is less traveled: the road towards cleaner, safer alternative energy options. We will never have enough oil in the United States to meet our own needs.

We did not leave the stone age because there were no stones left. There is simply no need to sacrifice protected areas to squeeze out the last drop of oil before we move forward. We have faster, cheaper, cleaner and safer alternatives today. Let's use them.

What data do you have that confirms that the oil industry does not have enough equipment to drill even what they have?

Based on information shared by oil executives and analysts, the world's existing drill-ships are booked solid for the next five years and some oil companies have been forced to postpone exploration while waiting for a drilling rig.

Are you suggesting that this is a land grab by the oil industry in the last days of the Bush administration?

Absolutely. The oil industry sees that their days with this administration are numbered, so they are doing a "hail Mary" pass, hoping to lock up as much land

and off shore options as they can before a new administration takes office.

Why are you saying that drilling OCS and Arctic won't make a difference to gas prices?

According to the US Department of Energy Drilling the total additional oil that could be brought into production from drilling in the Arctic, OCS and Rocky Mountain states is likely to be only about 1.2 million barrels of oil per 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. If this drop were to reduce pump prices at all, the saving would be mere pennies (approximately 3 cents a gallon according to Department of Energy Information Administration figures) and would not be seen by Americans for at least another 10 years. In reality it is quite probable that world oil demand will outpace the relatively small increase in supply from additional domestic drilling and prices may not go down at all.

ARCTIC SPECIFIC ANSWER:

The U.S. Energy Information Administration (EIA) has concluded that at its peak in 2030, oil from the Arctic refuge would only lower gas prices by a few pennies per gallon. In fact, by increasing fuel efficiency to 35 mpg by 2020 we would decrease demand by 1 million barrels of oil per day – far more than we would get from sacrificing the Arctic refuge.

How many acres of land in the US have been leased for drilling? How much are we using?

According to MMS figures, there are a total of 159.5 million acres of potentially leasable offshore land in the Central, Western, and Eastern Gulf of Mexico OCS Planning Areas. In terms of utilization and production from leased lands, about 30 million acres of offshore leases remain undeveloped, and are therefore non-producing.

In Alaska's Arctic, out of 91 million acres on and offshore that could be leased, 11.8 million acres on and offshore has been leased. (source: Rayhall Committee Report, 2008)

Since taking office, the Bush administration has issued leases on over 26 million acres of onshore public lands, and drilling permits rose from 3,802 in 2002 to 7,561 in 2007.

What can be done now?

Even now there are simple things that Congress, and American consumers, can do to help alleviate the pain at the pump. Congress should help consumers in their time of need by providing tax incentives for public transportation, telecommuting, passing legislation that will rein in the fat cat speculators, and providing a rebate check to immediately help drivers cover the increased cost of gas caused by our dependence on oil.

And you can do your part too. It may not sound sensational but easy adjustments to your car and lifestyle can make a real difference. For instance: making sure your car has regular tune-ups, taking junk out of the trunk, properly inflating tires, driving a little more slowly and avoiding quick starts will make a difference in how many miles you get per gallon. And of course walking, biking or taking public transport when it is available always helps.

What should we do long-term?

To avoid the current pitfalls of our failed energy policy we need to move toward a new energy efficient and renewable economy. We need to focus on fuel economy standards, incentive programs, investing in renewable energy industries and funding further innovation, investing in transportation alternatives and commuter programs and matching American workers with millions of new jobs created by new energy technologies.