



28 July 2010

ATR WILL KEYVOTE AGAINST H.R. 3534 (CLEAR ACT) IN OUR ANNUAL CONGRESSIONAL SCORECARD

Americans for Tax Reform (ATR) urges you to oppose H.R. 3534, the Consolidated Land, Energy, and Aquatic Resources Act of 2010 (CLEAR Act), as it further taxes America's oil and gas producers, removes the liability cap for offshore operators, implements onerous, arbitrary regulations, and creates over \$30 billion in mandatory spending for the Land and Water Conservation Fund and the Historic Preservation Fund.

Oil and Natural Gas Tax

While legislation reacting to the oil spill off the Gulf of Mexico is entirely appropriate, the CLEAR Act is an unconcealed attempt to punish oil and gas producers. Imposing a tax of \$2 per barrel of oil and 20 cents per million BTU of natural gas, the CLEAR Act will raise energy prices for American families, impel layoffs, and threaten America's production of oil and natural gas—resources which power our economy. The CLEAR Act elicits memories from 1993 when the White House urged Members to vote for a BTU tax only to have President Clinton distance himself from his proposal.

Removal of the Liability Cap

Further undermining America's energy security, the CLEAR Act's removal of a liability cap will drastically increase insurance premiums on Gulf oil and gas production, threatening the very existence of deepwater operations. Insurance premiums would rise so fast that small and medium refiners would be priced out of nearly all Gulf production. This proposal is a clear sop to trial lawyers as it allows them to sue companies for exaggerated amounts.

Regulatory Burden

Reforms are certainly needed to ensure that a spill of this magnitude never happens again, but new regulations must be targeted and precise. Unfortunately, the CLEAR Act's regulations are not as investigators are yet to determine the exact cause of the oil spill. Instead of simply issuing more regulations, Congress should wait until the spill has been studied and enact thorough, preventative regulations.

Unnecessary Spending

Additionally, the \$30 billion of mandatory spending for the Land and Water Conservation Fund and the Historic Preservation Fund is indicative of Congress' spending problem. With government expenditures reaching a record 23 percent of GDP every year over the next decade, Congress should look to cut spending, not compound our mushrooming deficit.

**For these and other reasons, ATR will be keyvoting
against H.R 3534 (CLEAR Act) in our annual
Congressional scorecard.**

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