



LOUISIANA MID-CONTINENT OIL AND GAS ASSOCIATION

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Letter to the Editor
The Advocate
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Dear Editor:

Most experts agree that oil and gas will be this nation's primary source of energy for many decades. However, this does not preclude the need to invest in and develop alternative fuels as part of a comprehensive energy policy that will serve the nation well into the future. The truth is America will need all available fuel sources to meet future energy demands.

The oil and gas industry has dedicated considerable resources to developing alternative fuels as well as improving the efficiency of oil and gas exploration, production and refining in an environmentally responsible manner. Therefore the question that must be answered is--will the nation seek to develop an energy plan that recognizes the importance of oil and gas at the same time understanding the limitations (scope, infrastructure and reliability) that face alternative fuels.

While the industry supports the development of alternative fuels, it does not believe that research and development costs for these fuels should be at the expense of the oil and gas industry through new taxes, fees and the elimination of incentives and tax deductions.

The current plan outlined in President Obama's budget has serious flaws, which if not addressed, will lead to higher energy cost for all Americans, job loss and more dependence on foreign oil and gas imports.

The proposed new taxes on oil and gas and the elimination of incentives and deductions, will lead to a reduction in capital expenditure budgets, which in turn will stymie domestic exploration and production activities. Thus, as domestic production declines, thousands of jobs are lost and our reliance on foreign oil increases. This will have very adverse economic impacts on the nation, which will further endanger America's energy security.

Finally, there is more to oil than BTUs. Virtually all of the alternatives being discussed can only generate BTUs or heat. They cannot be used as the building blocks for the thousands upon thousands of products we use everyday and take for granted. These products range from the obvious' such as gasoline and diesel to heart valves, clothing, tires, sports equipment and medications, just to name a few.

At the April 8th hearing in New Orleans conducted by the U.S. Department of Interior, Secretary Ken Salazar indicated that there was "no war" with the oil and gas industry. We hope this is true and that the Congress and Administration will look closely at what impacts the proposed energy plan could have on our industry, the nation, and most importantly our people.

Sincerely,

Chris John
President,
Louisiana Mid-Continent
Oil and Gas Association