

STATEMENT BY

Keith Ashdown
Taxpayers for Common Sense
Contact information: 202-546-8500, ext. 110
August 16, 2005

Hi, my name is Keith Ashdown, and I am Vice President at Taxpayers for Common Sense, a national, nonpartisan budget watchdog organization. Our organization is devoted to the thankless task of trying to stop Washington lawmakers from wasting your money.

“Filling the Gaps” is an excellent and timely report. It shows that at a time of record energy prices, oil and gas companies are not paying their fair share. The report details how the federal government has been a poor steward of the West. For example, it has done a terrible job of making drillers develop a comprehensive reclamation plan. It has also let companies get away with issuing blanket bonds that in reality cover only a tiny portion of the clean-up costs. This concerns us, because when oil and gas companies don’t pick up the tab to clean up their own mess, taxpayers get stuck with the bill.

At a time when the federal treasury is running on empty, this mismanagement will create billions of dollars of future liabilities for our grandchildren. Audrey, my daughter, just turned four this past weekend. This is a terrible and costly birthday gift to leave her and future generations.

America’s thirst for oil & gas demands that we continue to search for new resources in this country. At this same time, it is vital that energy companies, who are now reaping record profits, fill the gap between the real costs of future cleanups and the empty guarantees that they are currently making. The federal government needs to step up to the plate and ensure that these big energy companies clean up after themselves.

“Filling the Gaps” contains a number of valuable recommendations. The report strongly supports: 1) annually updated oil & gas reclamation plans; 2) professional preparation of these reclamation plans and cost estimates; and 3) better reclamation standards for the oil & gas industry that are consistent with other extractive industries. If implemented, these proposals will lead the nation in a better direction in managing the growing number of wells currently operating in the west.