

News Release



IPAMS
410 17th Street, Ste. 700
Denver, CO 80202

Date: February 02, 2010
Contact: Jon Haubert
(303) 623-0987
jhaubert@ipams.org

Obama Administration Targets Western Jobs

*Announces tax increases on small domestic energy producers
who support 260,000 jobs in the West*

(Denver)- In yet another strike against the small, independent energy producers who supply 82% of American natural gas and support over 260,000 jobs in the West, the White House has released a draft budget that includes tax increases on energy companies, new fees, and higher royalty rates. Western producers already more than pay for the total cost of administering the onshore natural gas and oil program by returning \$46 for every \$1 spent. Additional taxes and fees will take capital away from finding and developing American energy and sustaining jobs.

"We are in the midst of a recession, unemployment is over 10%, and yet this administration continues to make it more and more difficult and costly to develop the clean, abundant, and domestic natural gas that offers real solutions to the pressing employment, energy security, and environmental challenges we now face," said IPAMS Executive Director Marc Smith.

"I understand the temptation to go after 'Big Oil,' but the truth is that these punitive tax and fee increases will be most harmful to small businesses struggling to survive our current economic crisis," continued Smith. "This Administration continues to assure us that they are not 'anti oil and gas,' and yet every week brings some counterproductive new policy to make developing American energy even more burdensome."

"Every day I hear concerns from our members about whether they will be able to continue developing energy in the West," said Smith. "I have to wonder if shutting down all energy production on public lands is the ultimate goal of this administration. They are forgetting that these are vital energy resources that belong to all Americans."

The Administration's proposed inspection fees, non-producing acreage fee, and royalty rate increases come on top of \$36.5 billion in tax hikes in the President's budget, which would reduce capital investment in American energy by 30% to 50%.

(more)

"Increasing the tax burden on small energy producers will add inflationary pressures throughout all segments of the economy," continued Smith. "When consumers are forced to spend more on driving to work and heating their homes, they have less money for discretionary spending. Raising taxes on American energy producers is the same as raising taxes on Americans-- it's that simple."

[Click here to read IPAMS position paper on the Department of the Interior's Proposed Fee & Royalty Rate Increases](#)

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The Independent Petroleum Association of Mountain States (IPAMS), founded in 1974, is a non-profit trade association representing more than 400 independent natural gas and oil producers, service and supply companies, banking and financial institutions and industry consultants committed to environmentally responsible energy development in the Intermountain West. More information on IPAMS and its members is available at www.ipams.org