

WASHINGTON- Today Congressman Lee Terry (R-NE) introduced a bill that will devote federal revenues from expanded drilling in Alaska and the Outer Continental Shelf to reducing the nation's crushing federal debt, now more than \$31,000 for every man, woman and child in the country. The National Debt Reduction Trust Fund Act was introduced today.

The revenue from expanded drilling could possibly total as much as \$2 trillion over a 30-year period, according to the Congressional Research Service and National Taxpayers Union.

"I am a conservative when it comes to spending issues," Terry said. "I believe it is a conservative principle to pay down the national debt. My plan could cut our debt by as much as \$2 trillion and, in doing so, secure our economic future."

According to a top official of the National Taxpayers Union, revenues to the federal government from expanded oil drilling could "yield nearly \$2 trillion in overall revenue over 30 years, or an average of \$65.5 billion per year."

The funds would be generated from new lease sales, royalties, income taxes and excise taxes paid by petroleum companies that drill and extract new oil. The Alaska Natural Wildlife Refuge (ANWR) is estimated to contain 10.3 billion barrels of recoverable oil. The amount of oil projected to be recoverable from the Outer Continental Shelf (OCS) and National Petroleum Reserve (Alaska) is much more: 97 billion barrels.

Terry's plan does not increase any current taxes or create new ones.

The Congressional Research Service has projected that increased federal revenues from drilling in the Arctic National Wildlife Refuge (ANWR) alone could be \$191 billion over 30 years. New drilling in the Outer Continental Shelf and National Petroleum Reserve could add an additional \$1.8 trillion. Both estimates are subject to the amount of oil actually recovered as

well as the price of oil at the time. Royalty and tax payments would begin once lease sales occur or production begins.

Terry said his proposal for reducing the nation's debt could be a major catalyst to getting Congress to approve more drilling for oil in Alaska and offshore.

"We need to have a national dialogue as to how we can become energy independent as a country. I have already outlined a comprehensive plan for achieving this and am pleased to place this new idea for a \$2 trillion reduction in our national debt on the table," Terry said.

-30-

