



August 19, 2008

Dear “Gang of 10”:

On behalf of the undersigned organizations representing hundreds of thousands of taxpayers, small businesses, shareholders, consumers and senior citizens, **we strongly urge you and your colleagues to consider the below concerns and redraft the bipartisan Senate energy plan to prevent further harm to the U.S. economy and its citizens.**

We commend the Senate’s attempts to find a bipartisan solution to Americans energy needs. Further, we are pleased with the removal of anti-“speculation” measures which save the marketplace from unwarranted government intervention and show confidence and support for the American investor.

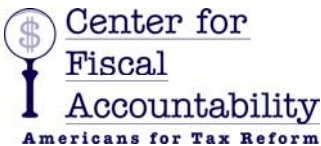
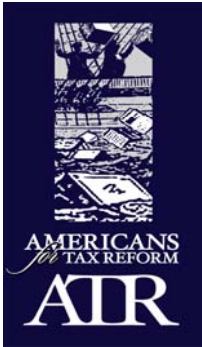
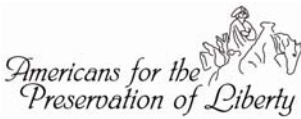
However, the current state of the proposal contains several potentially fatal flaws. The most glaring of which is the lack of certainty that the current proposed measures will not raise taxes on the American people. Sound energy policy should contain fiscally responsible measures that will actually result in lower prices – not penalties to the taxpayer. Why allow room for a tax increase when Americans are already paying so much at the pump?

Additionally, in a time when House Speaker Nancy Pelosi (D-CA) has expressed willingness to allow a vote on Outer Continental Shelf drilling, your proposal only permits four states to opt-in to oil leasing off their shores – retaining all regulatory powers at the federal level. It is not the job of the federal government to regulate the leasing of state waters and control when, where and how energy exploration can occur. The bill, by barring any drilling within 50 miles of the coast leaves much of the most productive OCS areas off limits. How will this create more supply and lower prices?

Any legislation which rejects proposals to expand oil and gas drilling, and other energy development on federal lands, prevents progress towards lessening America’s dependence on foreign oil. Only 32 percent of all oil and 35 percent of all natural gas produced in the United States comes from federal lands and waters. While other nations utilize their domestic oil and gas resources to boost their economies, this proposed energy package places heavy federal restrictions on offshore drilling and continues bans on drilling in ANWR and on domestic shale oil and gas.

As you know, the Congressional bans on offshore drilling and oil shale production expire at the stroke of midnight on Oct.1, which would increase American energy production far more than the compromise you have suggested. Rather than saddling American energy producers and consumers with billions of dollars in higher taxes, a wiser solution is to allow these bans on American energy production to expire as scheduled – and to oppose any effort to sneak an extension of these bans into any last-minute spending bills.

Further, this proposal will serve to stifle the much needed investment in all areas of energy production. The provision to discriminatively repeal Section 199 of the tax code for energy companies takes away capital that would otherwise be reinvested domestically. This means





fewer American jobs while companies pass their costs (imposed by the repeal of Section 199) onto the consumer at the pump.

Promoting the use of alternative energy by limiting access to new domestic energy sources of oil and natural gas AND imposing new taxes on the U.S. oil and gas industry will not help supply stable and affordable energy to satisfy the demands of American consumers.

Moreover, the new taxes targeted at the U.S. oil and gas industry will even further reduce our nation’s energy security by discouraging new domestic energy production and discouraging new investment in refinery capacity. The results of the perverse incentives will tilt the competitive playing field for global energy resources against the United States and toward our foreign competitors.

This bill oversteps the bounds of government in micromanaging the will of private industry. Support for a comprehensive, bipartisan energy solution must not hinge on the unrealistic proposed fuel standards. Congress cannot be allowed to dictate corporate production models by requiring 85 percent of vehicles to run on non-petroleum-based fuel in 20 years. Studies show that increasing fuel standards to such extremes force manufacturers to produce lighter cars, exposing Americans to greater risk as road deaths increase to 8,000 per mile for each gallon gained in fuel economy.

Energy legislation should not attempt to define the market by creating “winners” and “losers”, but should institute sound, fiscally-responsible legislation that will decrease U.S. dependence on foreign oil and protect American jobs.

**We strongly urge you to reconsider your proposal by incorporating the aforementioned principles. Currently, your proposal directly interferes with a free-market economy and will increase the financial costs that already overburden the American people.**

Sincerely,

Brian M Johnson  
Executive Director  
Alliance for Worker Freedom

David Keane  
President  
American Conservative Union

Linda Runbeck  
President  
American Property Coalition

Tim Phillips  
President  
Americans for Prosperity

Jim Pfaff  
State Director  
Americans for Prosperity of Colorado

Dustin Gawrylow  
State Policy Director  
Americans for Prosperity of ND

Mark Chmura  
Executive Director  
Americans for the Preservation of Liberty

Grover G. Norquist  
President  
Americans for Tax Reform

Ryan L Ellis  
Executive Director  
American Shareholders Association

David Anderson, Ph.D.  
CEO  
Asora



Brad Bergh  
President  
Caesar Rodney Institute

Sandra Fabry  
Executive Director  
Center for Fiscal Accountability



Jeffrey Mazzella  
President  
Center for Individual Freedom

Chuck Muth  
President  
Citizen Outreach



Marita K. Noon  
Executive Director  
Citizens Alliance for Responsible Energy

Francis J. Faulkner  
Associate Director  
Citizens for Limited Taxation of MA



Joel C. Mandelman  
Chairman  
Clean Oceans Technology Coalition

Pat Toomey  
President  
Club for Growth



Ken Blackwell  
Chairman  
Coalition for a Conservative Majority

Doug Bandow  
Bastiat Scholar in Free Enterprise  
Competitive Enterprise Institute



Dowd Muska  
Chairman  
Connecticut Center-Right Coalition

Thomas Schatz  
President  
Council for Citizens Against  
Government Waste



Richard Watson  
Chairman  
Florida Center-Right Coalition

Corey Miltimore  
President  
Freedom Foundation of Minnesota



Max Pappas  
Vice President, Public Policy  
FreedomWorks

George Landrith  
President  
Frontiers of Freedom



Louie Hunter  
Chairman  
Georgia Center-Right Coalition

Jamie Story  
President  
Grassroot Institute of Hawaii



James Wagoner  
Maui Coordinator  
Grassroot Institute of Hawaii

Richard Rowland  
Chairman  
Hawaii Center-Right Coalition



Greg Blankinship  
President & Founder  
Illinois Policy Institute

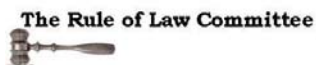
Richard W. Rahn  
Chairman  
Institute for Global Economic Growth

Andrew Langer  
President  
Institute for Liberty

Dr. Don Racheter  
Chairman  
Iowa Center-Right Coalition

Collin Hanna  
President  
Let Freedom Ring

Lowman S. Henry  
Chairman & CEO  
Lincoln Institute of Public Opinion  
Research Inc.



OREGON WATCHDOG.com  
Taxpayers Association of Oregon



THE JAMES  
MADISON  
INSTITUTE

THE NATIONAL CENTER  
\*\*\*  
FOR PUBLIC POLICY RESEARCH



Grass Roots  
LIMITED GOVERNMENT - CONSTITUTION - REPRESENTATIVE GOVERNMENT  
PARTICIPATORY DEMOCRACY - FREE MARKET ECONOMY  
SEPARATION OF POWERS - FAMILY



#dontGO

AMERICAN LEGISLATIVE EXCHANGE COUNCIL  
ALEC

Richard Falknor  
Chairman  
Maryland Center-Right Coalition

Peter Flaherty  
President  
National Legal and Policy Center

Bruce E. A. Larsen  
Chairman  
New Mexico-Santa Fe Center-Right Coalition

William J. Felkner  
President  
Ocean State Policy Research Institute

Erick-Woods Erickson  
Editor  
RedState.Com

Dr. William Greene  
President  
RightMarch.com

William Haygood Shaker  
Voluntary President  
Rule of Law Committee

Sam Sloan  
President  
Small Business Hawaii

Phil Krinkie  
President  
Taxpayers League of Minnesota

J. Robert McClure, III  
President and CEO  
The James Madison Institute

C. Preston Noell III  
President  
Tradition, Family, Property, Inc.

Jim Martin  
President  
60 Plus Association

Alan B. Smith, Executive Director  
American Legislative Exchange Counsel

Forest Thigpen  
President  
Mississippi Center for Public Policy

Duane Parde  
President  
National Taxpayers Union

Mickey D. Barnett  
Chairman  
New Mexico-Albuquerque  
Center-Right Coalition

Kelsey Zahourek  
Executive Director  
Property Rights Alliance

William Haygood Shaker  
Voluntary President  
RepublicanPac.com

Paul J. Gessing  
President  
Rio Grande Foundation

Karen Kerrigan  
President & CEO  
Small Business & Entrepreneurship  
Council

Jason Williams  
State Director  
Taxpayer Association of Oregon

Cathie Adams  
President  
Texas Eagle Forum  
TX National Committeewoman-elect

Amy Ridenour  
President  
National Center for Public Policy Research

Bill Barton  
Vice Chairman  
Utah Grass Roots

Eric Odom, Director  
#dontgo Movement  
www.dontgomovement.com