

KIOGA Responds to the President's Call for Industry Tax Hikes and Senate Cap-and-Trade legislation

On September 22nd, President Obama told world leaders during a United Nations speech in New York that his administration will work to "phase out fossil fuel subsidies." On September 23rd-24th, KIOGA joined other midcontinent oil and gas associations to visit key Democratic Senators from oil producing states. KIOGA was able to have meaningful visits with Senator Mark Begich (D-AK), Evan Bayh (D-IN), Mark Udall (D-CO), Dick Durbin (D-IL) and Congressman Lloyd Doggett (D-TX). The visits complemented KIOGA's visits with 7 other Democratic Senators last July and August including Senators Mary Landrieu (D-LA), Mark Pryor (D-AR), Blanche Lincoln (D-AR), Ben Nelson (D-NE), Tim Johnson (D-SD), Kent Conrad (D-ND), and Byron Dorgan (D-ND). The visits established a dialogue and included detailed discussions about the impacts of the President's oil and gas tax proposals, cap-and-trade legislation, and hydraulic fracturing regulatory proposals. Each of the meetings were very productive for explaining the "independent" oil and gas producer story and how tax and other legislation and regulation being considered by Congress would dramatically affect our business and critically impact the energy security of our nation. KIOGA's concerns and actions were reported in several news outlets including KIOGA President Edward Cross' statement "We explained that the president's proposed action on oil and gas taxes were based on academic notions that simply do not apply in the real world," in an October 1st *Wichita Eagle* article. Cross went on to say that the proposals would depress investment in domestic oil and gas projects, weaken the nation's energy security and make it more difficult to achieve economic recovery. Cross also wrote an opinion editorial titled "Ten Essential Principles for Sound Energy Policy" that was published in newspapers across Kansas in September.

Earlier this month, Senators Barbara Boxer (D-CA) and John Kerry (D-MA) introduced the latest version of cap-and-trade legislation. The Boxer-Kerry climate bill looks much like the House bill to set up a program forcing businesses to buy allowances for carbon emissions. The bill gives away 85% of the carbon permits, but petroleum refiners would receive the smallest share. The Senate bill still allocates carbon emission costs for gasoline consumption on refiners instead of motorists. According to API studies, the cost to refiners would be so great that it would restrict U.S. refining capacity.

KIOGA met with 21 other state oil and gas associations on October 5th to coordinate industry responses to critical federal issues. KIOGA also met with the editorial boards of the *Kansas City Star* and the *Topeka Capital-Journal* in September to provide them with background information on the Kansas oil and gas industry, data and statistics, and issue briefs.

KIOGA continues to fight against the President's tax proposals and adverse climate change legislation. KIOGA is currently providing Senators and Committee Members information on the impact of these latest proposals. We will keep membership up to date on all relevant legislation.

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Upcoming Events

KBA/KIOGA Oil & Gas Conference

October 23, 2009
Wichita, Kansas

IPEC Conference

November 3-5, 2009
Houston, Texas

IPAA Annual Meeting

November 4-6, 2009
New Orleans,
Louisiana

TORP Annual Meeting

November 13-14, 2009
Lawrence, Kansas