The House Resources Committee today easily passed, 29-9, legislation aimed at expanding offshore oil and natural gas drilling. House Republicans are expected to move the bill to the floor next week as part of other energy initiatives. The bill would lift a 25-year-old statutory ban and a separate presidential ban on offshore energy production within 100 miles of the U.S. coastline. These bans apply to most federal waters outside of the Gulf of Mexico. From within 50 to 100 miles of the coast, states would have to act within one year to ban natural gas production and three years to ban oil production. Oil and natural gas drilling would be permanently banned as far as 50 miles from the coast, though a state could opt out of that ban. It also guarantees a portion of federal drilling revenue will go to coastal producing states.

It is based on a framework agreed to last Friday among Resources Chairman Pombo, Republican Policy Committee Chairman Adam Putnam of Florida, and Republican Reps. Bobby Jindal of Louisiana and John Peterson of Pennsylvania -- as well as Democratic Reps. Charles Melancon of Louisiana and Neil Abercrombie of Hawaii. All but Putnam are members of the Resources
Committee. They said the bill would spur jobs and reduce dependence on foreign oil. "We are dependent on foreign countries for basic natural resources when we are surrounded by these natural resources," Pombo said.

Rep. Edward Markey, D-Mass., unsuccessfully offered an amendment that would have struck all portions of the bill except language imposing a fee on oil and gas companies that do not voluntarily renegotiate offshore production lease contracts they entered into in 1998 and 1999. These contracts did not include price thresholds limiting the amount of royalty relief that companies could receive based on the price of oil and natural gas. Markey's amendment "preserves probably the only worthy provision in an otherwise misguided, budget-busting bill," said Rep. Frank Pallone, D-N.J.

Meanwhile, several major oil companies told a House Government Reform subcommittee at a separate hearing today that they are willing to discuss with Interior Department officials changes in offshore drilling leases to correct that 1998-99 mistake, the Associated Press reported. "It's time to resolve this issue," said John Hofmeister, president of Shell Oil Co. But other companies, including Exxon Mobil Corp., said while they are willing to talk, they oppose changing the questioned leases. "We expect the terms of the existing leases to be honored," Tim Cejka, president of Exxon Exploration Co., told a Government Reform Energy and Resources Subcommittee hearing. To renegotiate the questionable lease contracts "would
set a bad example," he said.