

# GASBANKUSA™ NEWSLETTER

Lock in a Fixed Price for Gas & SAVE!™

Good Afternoon,

I realize that trying to explain economics to a large portion of the American public is similar to trying to explain quantum physics to a gerbil, so this is aimed more at those still capable of rational thought. You can blame the high gas prices on any number of causes but it really boils down to supply and demand and fuel market speculators' perception of what the future holds. So the question arises of what to do about it and if it makes sense, both economically and environmentally to start drilling offshore and in Alaska.

After President Bush's largely symbolic decision to lift an 18-year-old executive moratorium on drilling for oil and natural gas along the outer continental shelf, the real question is how Congress will respond.

Bush's decision, which he called a reaction to high fuel prices and security concerns over foreign oil, leaves Congress as the primary barrier to broader domestic exploration. Since 1982, a congressional moratorium, renewed each year as part of the funding bill for the Interior Department, has restricted oil drilling off the Atlantic and Pacific coasts and in parts of the Gulf of Mexico.

Record gas prices have prompted many conservative lawmakers to embrace offshore oil drilling, arguing that even the prospect of greater production will help lower fuel costs and promote energy security. Some lawmakers have scoffed at such explanations, pointing to recent Department of Energy studies showing that drilling in the outer continental shelf will have an "insignificant" impact on costs in the next two decades.

But even before the president's move, at least two recent developments suggest that Congress may be warming up to the idea. In both cases, lawmakers have quietly chipped away at the congressional moratorium. In December 2006, Congress passed the Gulf of Mexico Energy Security Act. Among other provisions, it made some 5.8 million acres in the central Gulf of Mexico available for oil leasing (pending environmental reviews) that had been previously included in the moratorium. In the Senate, where the measure originated, support was overwhelming. The bill passed, 71 to 25.

A similar case involves the North Aleutian Basin in Alaska. From 1990 to 2003, Congress annually voted to prohibit oil and natural gas drilling in the region. But in 2004, it ended the moratorium, and in 2006, the state's governor, with local support, asked Bush to remove the region from the executive moratorium. Bush happily obliged. Now the area is subject to environmental reviews and public comment before leases are sold to allow exploration.

The idea of increased drilling is popular in the polls. But resistance to the idea remains strong, particularly in light of unanswered questions about the purported benefits of renewed drilling.

## See What We Think and Share Your Comments at the GasBankUSA Blog

We're blogging all sorts of topics related to GasBankUSA, gasoline and oil prices at <http://www.gasbankusa.com/blog/> and we hope you will contribute your insight and opinions for the GasBankUSA community.

### What is GasBankUSA?

GasBankUSA is our idea that allows consumers to lock in the price of gasoline. We are in the process of filing for regulatory approvals and once those approvals are in place, we will contact you with all of the details you will need to make an informed decision if GasBankUSA is the right choice for you. Read more about the GasBankUSA concept at <http://www.gasbankusa.com>.

If you think our idea is interesting, please share it with your friends.

Please feel free to contact us with your questions or comments. You can email us at [info@gasbankusa.com](mailto:info@gasbankusa.com).

Thanks for reading our newsletter,

The Team at GasBankUSA

LAST AAA NATIONAL FUEL PRICE: \$4.109

PRICE CHANGE: ↑ \$.005

% CHANGE: ↑ .122%