



NEWS

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Natural Gas Producers Urge Senate to Consider Access to Federal Lands as Part of National Energy Strategy

(Washington, D.C.) – Demand for natural gas is greater than ever, but producers are restricted by the federal government from drilling in some of the richest natural gas resource basins, according to John Sharp, Vice President of the Natural Gas Supply Association. Sharp testified today before the Senate Committee on Energy and Natural Resources on behalf of the Natural Gas Supply Association.

Sharp noted that there are no short-term solutions or answers to change the tight market conditions that exist today. “The demand for natural gas is simply exceeding supply... What is happening in the natural gas marketplace today is a combination of forces that, in the past, have not usually existed simultaneously.” He said that despite the tight market, producers and other segments of the industry are committed to meeting their contractual obligations.

Sharp cited a number of barriers that challenge the producers in short run, including manpower shortages and the lag time it takes to get new production into the market. In response to these challenges, “producers are drilling at unprecedented levels, both onshore and offshore. We are utilizing all available field equipment. And we are evaluating older fields with an eye toward increasing their output.”

Sharp pointed out that “in the long-term if producers are to bring significantly increased supplies of natural gas to market at prices competitive with other fuels, we will need access to resources under government lands – resources where production is currently prohibited by a variety of federal moratoria and regulatory restrictions.”

“It does not make economic or environmental sense to deny producers access to government lands. Clearly, we need new policies that give us better options.”

Sharp concluded “Today’s high price energy market can serve as a wake-up call, if we choose to hear that call. If we choose to understand it, today’s high prices can spur development of a long-term, bi-partisan, balanced national energy policy. Clearly, a competitive market with many buyers and sellers is the best protection for consumers” in both the short-term and long-term.

NGSA represents integrated and independent companies that produce and market the majority of the natural gas produced in the United States. NGSA is actively involved in pursuing regulatory and legislative issues that affect the association’s members. Established in 1965, NGSA encourages expanded use of natural gas and supports regulatory and legislative actions that foster competitive markets.

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