

REPORT: FLA DRILLING MAKES NO MAJOR IMPACT ON GAS PRICES

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THE CAPITAL, TALLAHASSEE, Feb. 26, 2010.....A new report says drilling in Florida waters would “have no discernible impact” on gas prices or the nation's dependence on foreign oil, but could pump millions into state coffers.

The Senate-commissioned report by the Collins Center for Public Policy studied the potential impact of drilling in state waters within 10.3 miles of the Florida Gulf coast. The report did not give tax revenue estimates for oil and gas produced in Florida waters, but said other Gulf states have seen annual revenues from \$52 million to \$200 million over the past several years.

However, the report also said that the state's estimated oil reserves – less than 100 million barrels – would satisfy the U.S. demand for oil for less than a week.

“Estimated oil reserves in federal waters in the Eastern Gulf of Mexico are more substantial (a little less than 4 billion barrels),” the report said.

The path to lifting the ban on offshore drilling is unclear. Current Senate President Jeff Atwater has said the Senate will move very cautiously on the issue, but his successor Sen. Mike Haridopolos as well as House Speaker-designate Dean Cannon are both proponents of lifting the ban. However, the two most likely nominees for governor, Republican Bill McCollum and Democrat Alex Sink, have also been cool to the idea so far.

U.S. Sen. Bill Nelson, D-Fla. said Friday he hopes the information that the oil reserves would provide oil for less than a week will kill lawmakers' desires to lift the ban.

“It's just another confirmation that as the Legislature takes up this issue, they should not be hoodwinked by the oil boys,” Nelson told reporters at his Tallahassee office.

Florida lawmakers have not yet produced a bill for the 2010 session on oil drilling, but they have been holding workshops and forums on the issue. Cannon said in the fall that Select Policy Council on Strategic and Economic Planning is discussing how to craft a bill that provides adequate safeguards while also providing incentives for private industry.