



November 28, 2012

Contact: Bruce Thompson  
[Bthompson@axpc.us](mailto:Bthompson@axpc.us)  
303-638-7979 mobile or  
202-652-2359 office

## **American Exploration & Production Council Releases Its Coalition's Letter Addressing the Negative Economic Impact of Limiting the Deductibility of Intangible Drilling Costs**

Washington, DC - The American Exploration & Production Council ("AXPC") today released a letter from a coalition of thirty three consumer, manufacturing and state and Washington, DC-based energy trade associations reminding Congressional leaders on behalf of millions of American workers and consumers of the dramatic, negative economic impact on the nation's economy that would likely result should Congress act to limit or eliminate the deductibility of intangible drilling costs ("IDCs"). These ordinary and necessary expenses incurred by energy exploration and production companies in the search for America's energy resources are the lifeblood of an industry that is one of America's few economic bright spots.

Noting that independent exploration and production companies typically drill over 90% of the wells drilled in the US in any given year and that these companies typically invest greater than 100% of their cash flow in the continuous search for American energy, AXPC's President, Bruce Thompson, said, **"Restrictions on the deductibility of these ordinary and necessary expenses would discourage the massive investment that is needed from this industry to deliver the supplies of American energy to American consumers and industry and to promote America's energy security. The result of the limitations on the deductibility of these expenses would almost certainly be lower exploration and drilling budgets, reduced job creation and overall economic activity, lower production of American energy, higher energy prices for consumers and businesses, fewer jobs, lower revenues to the US Treasury and to state and local governments, all of which are undesirable. The emphasis in tax reform must be on improving economic health and job creation. Limiting the current deductibility of ordinary business expenses will have precisely the opposite effect. AXPC and its members will continue to work to convey these important facts to the Congress and the Administration."**

The letter is available at the AXPC website at [www.axpc.us](http://www.axpc.us).

The American Exploration & Production Council (AXPC) represents 32 of the nation's leading independent natural gas and oil exploration and production companies. Our members safely provide the secure, domestic supplies of natural gas and oil America needs to heat its homes, to operate its farms and to fuel its economy. We are committed to doing what is right to ensure the abundant energy supplies in environmentally responsible ways. Learn more about AXPC at [www.axpc.us](http://www.axpc.us).

###