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Chairman Hastings' Remarks at The Hill/American Petroleum Institute Energy Jobs Summit

It's impossible to turn on the TV, pick up a newspaper, or go into a local business today without hearing about jobs and government spending – or perhaps a better description would be the lack of jobs and excessive government spending.

These are undoubtedly two of the biggest issues currently facing our country and are the cause of worry, anger and frustration for millions of Americans.

It's not hard to understand why.

Over 1.3 million jobs have been lost since President Obama signed the nearly \$1 trillion “stimulus” spending bill and unemployment has been above 8 percent for 31 months – the longest streak since the Great Depression.

Meanwhile, we are facing a \$14 trillion national debt that grows each day by the billions.

Finding viable solutions to these problems will not be easy. However, there is a simple step that we can take to create jobs and reduce our national debt....and that's through increased American energy production.

The Natural Resources Committee has jurisdiction over energy and mineral production on all federal lands and water – both onshore and offshore. This is where the majority of our U.S. energy resources are located – and they are abundant.

Those who oppose expanded production of oil and natural gas like to claim that the United States only holds 2 percent of the world's resources. President Obama has even frequently cited this statistic in speeches. One problem: it's not true.

It's a rhetorical trick meant to mislead and underestimate America's true energy resources. The 2 percent figure is a narrow estimate based only on America's proven reserves – which is the amount of oil that has actually been discovered through drilling.

However, the U.S. has huge amounts of oil resources that exist in unexplored areas. Our proven, actually drilled reserves are 28.4 billion barrels...but the oil that exists in unexplored areas is estimated to be over 134 billion barrels. That's four and one half times as much. Those who use this misleading 2 percent figure are deliberately ignoring the vast majority of oil that we know exists in the United States.

In fact, according to the Congressional Research Service, the United States' combined oil,

natural gas, and coal resources are the largest in the World – outranking Saudi Arabia, China and Iran.

Furthermore, these calculations don't even take into account the large oil shale reserves in the Western United States. The United States Geological Survey estimates that our oil shale reserves could be greater than 1.5 trillion barrels of oil - five times larger than Saudi Arabia's proven reserves.

Now, with the abundance of potential American energy, what logically follows: American jobs. According to the Department of the Interior itself, energy and mineral production on federal lands supported 1.3 million jobs in 2010. And this is only from developing a fraction of our energy resources...the number of jobs that could be created is much, much higher.

And we're not talking about just oil and natural gas production jobs. The energy industry supports millions of indirect jobs in every state throughout the country in sectors such as manufacturing, construction, and services.

Finally, every business in the country depends on affordable, dependable energy in order to operate. The ability to provide low-cost, stable energy is imperative for any type of economic growth.

When considering how to reduce our national debt – as the Joint Committee has been tasked to do – we must remember that it's not just about cutting spending. There's no question that Washington D.C. has a spending problem, but we must also look for new ways to generate revenue without raising taxes. Raising taxes in this economic environment would destroy jobs and only prolong the economic woes we are currently experiencing.

Increasing American energy production is one of the easiest ways to generate new federal revenue. Currently, energy and mineral development on federal lands is the second highest source of revenue to the federal government. This is not widely acknowledged.

So, in order to increase American energy production, Congress must focus on two separate, but equally important, priorities:

1. Reversing current policies that are blocking energy production and
2. Promoting the development of new areas for energy production.

The Obama Administration has hardly missed any opportunity to block, impede, delay, hinder or obstruct American energy production. Instead of moving our country forward, President Obama has gone 180 degrees in the opposite direction.

Since taking office, this Administration has:

- withdrawn oil and natural gas leases in the Intermountain West,
- delayed oil shale development in Colorado,
- imposed a real and *de facto* moratorium on drilling in the Gulf of Mexico,
- placed huge portions of the Outer Continental Shelf off-limits to new offshore drilling,
- delayed the issuance of permits for necessary roads and bridges in the National Petroleum Reserve-Alaska, and

- locked up millions of acres of land to all types of energy production...including renewable energy

This is only a small sampling of the Administration's anti-energy policies.

Last spring, the House passed three, bipartisan bills that would directly reverse Obama Administration actions that are blocking access to our energy resources. The bills would end the *de facto* moratorium in the Gulf, resume offshore lease sales that have been delayed or canceled and lift the President's effective ban on new offshore drilling.

Together, these three bills would create over 1.2 million jobs and generate \$800 million in new revenue. However, four months after passing the House with bipartisan support, they have yet to be voted on in the Senate. The Democrat-controlled Senate should stop delaying and take action now on these important jobs bills.

In addition to reversing Administration policies that lock-up our energy resources, Congress should also look to new areas where we can promote new energy production. This is a source of new revenue that the Joint Committee should act upon when working towards finding \$1.5 trillion in savings.

All House and Senate Committees have the option of submitting ideas to the Joint Committee. I can tell you that the House Natural Resources Committee will be acting upon this opportunity...an opportunity to create new jobs, generate new revenue, reduce the federal debt and reduce our dependence on foreign oil. We will do so by actively promoting new opportunities for both offshore drilling and onshore drilling.

Let me focus on one area that I will be recommending to the Joint Committee. It is a site that is well known, easily accessible, and has great potential. I'm speaking of ANWR in Alaska.

The North Slope of ANWR was specifically set aside in 1980 by President Jimmy Carter and Congress for oil and natural gas development. This land is not Wilderness and it is well past the time that our Nation took action to responsibly harness its energy resources.

While ANWR is 19 million acres total, a plan developing less than 500,000 acres would provide access to the majority of ANWR's energy resources. This means that we can harness the potential of ANWR by using less than 3 percent of its acreage.

According to U.S.G.S estimates, ANWR contains approximately 10.4 billion barrels of oil and at peak production could supply the U.S. with up to 1.45 million barrels of oil per day. This is more than the U.S. imports daily from Saudi Arabia.

Producing this much oil would generate substantial revenue for the federal government through leasing and royalties. Over the life of production, ANWR could generate approximately \$150 billion, according to CRS. This is a conservative estimate and could very well be as much as \$296 billion depending on the price of oil and the actual amount of oil resources.

For the Joint Committee, which is looking at a 10-year window, this could generate several

billions of dollars in new revenue to help meet their goal.

Like all forms of energy production, development in ANWR would put tens of thousands of people to work and help boost our economy. Studies show ANWR job creation ranging from 55,000 to 130,000 jobs.

I had the pleasure of touring Alaska in June with Governor Sean Parnell and Congressman Don Young. While there, we had a town hall meeting at the Native American Village of Kaktovik – the only community within the coastal plain of ANWR. The people there strongly support the development of ANWR and recognize the jobs and economic opportunities it would create within their community.

Furthermore, advances in technology allow for energy production to be conducted safely, responsibly and with minimal environmental impact. For example, new extended reach drilling allows for one single drilling platform to cover a 28,000 foot radius – larger than the size of Washington, D.C.

A common argument from critics who oppose ANWR production is that it would take over 10 years for production to come online. They've been making this argument for 16 years.

In 1995, a bill to open a small portion of ANWR passed both the House and the Senate, only to be vetoed by President Clinton. As we sit here today, scrambling to come up with \$1.5 trillion in savings, imagine how things could have been different had President Clinton not vetoed that bill. 16 years later, we would be well into production and could have also generated billions in new government revenue.

The time for delay is over. We must stop putting off till tomorrow what we should have been doing yesterday.

The Committee will be acting upon this particular opportunity to create jobs and generate new federal revenue. But we will also recommend expanding both onshore and offshore American energy production, and other areas of huge potential.

Fixing our nation's problems – getting people back to work and addressing our debt – will not be easy. There is not one easy answer. It will require bold actions. We should all recognize the role that American energy production can play in job creation and reducing our national debt. Energy production must be part of the conversation as the Joint Committee begins its work. The Natural Resources Committee will remain focused on the dual goals of unlocking America's energy resources and promoting new production.

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