



## Committee on Natural Resources U.S. House of Representatives

Chairman Doc Hastings

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CONTACT: [Press Office](#)  
202-226-9019

### **Witnesses Tout Benefits that America's Energy Revolution is Providing to States and Local Communities**

**WASHINGTON, D.C.** – Today, the House Natural Resources Subcommittee on Energy and Mineral Resources held an oversight hearing on “*American Energy Jobs: Opportunities for States and Localities.*” This hearing examined the great opportunities that America’s energy renaissance is creating for states and local communities.

America’s surge in energy production is fueling an employment boom that’s creating much-needed economic growth in states and local communities. In the past decade, 30 states have experienced a 50 percent increase in jobs indirectly relating to oil and natural gas production and it’s estimated that by 2035 unconventional oil and natural gas production will bring in \$2.5 trillion in combined state and federal revenue.

*“It is no secret that the recent increase in domestic energy production has resulted in tremendous benefits in energy security, job creation, economic development and revenue growth. Along with increased federal revenue, energy production on federal, state, and private land has allowed states and localities to increase their tax base and as a result, citizens in regions with robust energy development sectors benefit tremendously from energy revenue to their communities. These benefits include increased revenue for emergency services, infrastructure projects, resources for senior citizens, greater funding for schools and colleges, and increased community services,”* **said Subcommittee Chairman Doug Lamborn (CO-05).**

Witnesses at the hearing offered testimony on how states and localities can capitalize on the vast opportunities that increased energy production provides.

**Ron Black**, County Commissioner in Lea County New Mexico, shared with the Subcommittee the benefits of this increase in energy production that he is seeing firsthand in Lea County. “*Our community has seen many benefits of this boom and we have used these resources to invest in our community’s future.*” Specifically, Black added that “*in 2013 Lea County had 15,049 producing wells and produced 42 million barrels. This year we have 13,894 people working in petroleum related jobs and averaging a salary of \$80,388 per job. Lea County paid \$904,900,734 in Federal, State, and local taxes in 2013. In the last 10 years, the County has received \$363,879,297 in revenue in the oil and gas industry.*” Even with this surge in economic activity, Black called on Congress to “*ensure our domestic production*

*increases are not threatened by burdensome regulations. We need to do what we can to allow the energy boom to continue.”*

**Rodney Arbuckle**, Sheriff of DeSoto Parish in Louisiana, highlighted how this surge in American energy production is positively affecting his community. *“Jobs are abundant. Wages being paid by these employers are high. Locals are quickly being acquired for these positions.”* Since natural gas production began in the Haynesville Shale, DeSoto Parish has seen a dramatic increase in government revenue, coming in from local property and sales taxes, that has *“sailed higher and higher each month. By the end of the first year of the Haynesville Shale sales tax [revenue] had increased 82.2% and by 2011 the increase would top 500%. Pre Haynesville sales and use tax was just over sixteen million dollars. By 2011, \$120 million was collected.”* This prompted DeSoto parish to establish a “rainy day fund” where at the *“current fund level, the DeSoto Parish Sheriff’s office could operate at its current capacity for three years if not one penny of tax revenue was collected.”*

**Philip Hopkins**, Consulting Director at IHS Economics and board member of the School District of Haverford Township in Delaware County, Pennsylvania, testified *“on the effect the unconventional energy revolution is having on energy spending by public school districts, and by state and local governments.”* Hopkins went on to say that *“the decline in wholesale electricity prices produced by the unconventional energy revolution lowered combined energy spending of school districts, and state and local governments, by \$1.92 billion in fiscal year 2012/2013, equivalent to the cost of 15,241 teachers.”*

**Kevin Carter** is the director of the Utah School and Institutional Trust Lands Administration which manages over 4 million acres of mineral rights that are leased out *“for the production of oil, gas, coal, uranium, oil shale, oil sands, and gilsonite”* and *“renewable resource development such as wind, solar, and geothermal stream.”* Revenue from energy production on these lands supports important public purposes. *“In 2012 the market value of oil, gas, coal, and renewable electricity produced in Utah was \$4.7 billion. This translated into \$518 million of tax revenues to state and local coffers.”* This production supports *“over 17,500 direct energy jobs in Utah”* that *“produced nearly \$70 million dollars in state income tax.”* Carter echoed Black’s testimony cautioning the federal government not to take actions that limit energy production in America because such actions will foreclose the *“opportunity for high-paying energy-sector jobs, the benefits that would accrue to families of workers, and the indirect benefits that would have accrued to their school-age children.”*

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