



**Opening Statement of
Chairman Scott Tipton
House Subcommittee on Agriculture, Energy and Trade
Hearing: “Drilling for a Solution: Finding Ways to Curtail the Crushing Effect of High
Gas Prices on Small Business”
April 14, 2011**

Good morning everyone and thank you for joining us. The hearing will now come to order.

This is our first subcommittee hearing and the subject couldn't be more timely or important. Rising oil and gasoline prices have crippling effects on small businesses, as well as our overall economy. I would like to extend special thanks to each of our witnesses for making the trip to Washington, D.C., and taking time out of their busy schedules. I'd especially like to welcome Jim Ehrlich who is a constituent of mine from Colorado. Today we will hear directly from small businesses on how increased fuel prices have affected their bottom line and ability to expand and create jobs.

Small businesses have been hit especially hard by high fuel prices. In addition to driving up the costs of transportation for their goods and services, the spike in gas prices is drying up consumers for many small businesses. Just yesterday, Wal-Mart's chief executive told the Washington Post that the retail giant's number of customers increases with rising gas prices. In an effort to tighten-up their budgets by driving less, consumers tend to consolidate their shopping trips to one-stop larger retailers rather than going to a handful of community shops they would normally visit. This trend is even more alarming when taking into consideration that many communities across the country have already seen their consumer bases dwindle in conjunction with staggering unemployment. We are essentially watching the extinction of the mom and pop shop play out before our eyes.

Retailers of course are not the only ones feeling the sting of high gas prices. As we will hear today it's hitting our farmers and ranchers especially hard, and any

business that relies on fuel to send or receive goods and services. This increased cost of doing business is either absorbed by the company--diverting resources away from investment and expansion--or passed along to cash-strapped consumers who have already tightened their belts and cut back. In either case, it is a roadblock to economic recovery and job creation that will not be cleared until the U.S. increases its domestic energy production and decreases its reliance on volatile foreign oil.

In addition to hearing testimony today on the direct impact high fuel prices have on small business, we will explore the root causes of these rising costs including overregulation and punitive taxation on the energy industry. We will look at possible solutions to jump start energy exploration and production in our country and discuss the need for the U.S. to embrace an 'all of the above' energy platform that includes wind, solar, oil, natural gas and coal.

I look forward to hearing from our witnesses as they provide testimony and we seek to find solutions to curb the effects of high gas prices on small businesses. I now recognize Ranking Member Critz for his opening statement.