

OPENING STATEMENT

The Honorable Ralph M. Hall (R-TX), Chairman
Committee on Science, Space, and Technology

Tapping America's Unconventional Oil Resources for Job Creation and Affordable Domestic Energy: Technology and Policy Pathways

April 17, 2012

Good morning, and welcome to this morning's hearing, entitled *Tapping America's Unconventional Oil Resources for Job Creation and Affordable Domestic Energy: Technology and Policy Pathways*.

Currently, gas prices average just under \$4.00 per gallon nationwide, and are expected to remain at that level through the spring and summer. These prices are hurting consumers and the economy, and have sparked yet another national debate on energy policy.

To address high energy prices, Republicans have long supported an "all of the above" approach which includes expanding supply and production of our vast domestic energy resources and development of market-based solutions to reduce demand and increase energy efficiency.

In recent weeks, President Obama also adopted the Republican "all of the above" slogan to describe his own approach to energy policy. His Energy Secretary, Steven Chu, has changed his tune as well, taking back his remark that we need to "somehow boost the price of gasoline to the levels in Europe"—only after standing by that statement for over three years and refusing to retract it before this Committee in March.

When it comes to oil and gas drilling, however, the Administration's actions simply do not match the President's rhetoric. Pro-drilling actions at the Federal level have been few and far between, and while the President works hard to claim credit for recent domestic energy production increases, it is important to note these come primarily from State and private lands beyond the reach of his administration or he would probably preclude those too.

Faced with a direct and urgent opportunity to address U.S. oil supply and infrastructure concerns, the President opposes drilling in ANWR, restricts development in the Gulf of Mexico and Outer Continental Shelf, rejects the Keystone XL pipeline, and blocks over a million acres of public land from oil shale development.

It is extremely difficult to consider this Administration's actions and conclude the President's strategy can be objectively characterized as all-of-the above.

Despite this backdrop, technology moves forward as is evidenced by the ability of recent advancements in horizontal drilling to safely and economically unlock vast amounts of oil. For example, in 1995, North Dakota was estimated to hold 150 million barrels of oil; today, thanks to technology, it is estimated to hold eight billion barrels.

The economic benefits of this newly enabled production are dramatic. North Dakota has the nation's lowest unemployment rate—just 3.3 percent. Jobs are so plentiful in Williston that the

average salary is \$90,000 per year and McDonald's is reportedly hiring new workers at \$18 an hour with a signing bonus.

A true all-of-the-above policy would be aggressively looking to replicate the North Dakota economic success story. But instead of unleashing technological innovation and energy production, the President continues to ask multiple agencies to regulate, delay, and raise the costs of American energy production. Just this week, EPA is expected to issue new rules restricting emissions from oil and gas operations.

As the Committee responsible for overseeing the commercial application of energy technologies, we hope to learn more today about the status of and outlook for efficiently and economically increasing domestic oil production in the United States. We will explore challenges and opportunities resulting from new technologies such as horizontal drilling that are enabling expanded production, and we will discuss how continued technological development could position the U.S. as a top global energy producer for decades to come.

I now recognize Ranking Member Johnson for a five minute opening statement.