



In Case You Missed It

NATURAL RESOURCES COMMITTEE

CHAIRMAN DOC HASTINGS

[Rep. Doc Hastings, R-Wash.](#), the head of [the House Natural Resources Committee](#), said the Egyptian turmoil is a fresh reminder that the United States' reliance on foreign oil is a "national security issue."

"We get so much of our energy from that part of the world," Hastings said. "With the volatility in the Middle East right now, I think it is in our best interest to utilize the resources we have here, whether we're talking about the Gulf of Mexico, the outer continental shelf or federal land."

Hastings predicted that spiking oil prices would force a debate on domestic energy production: "The price of crude (is) going to cause the American public to say: 'Wait a minute, prices are rising, yet we have all these reserves in our country.'"

[Lawmakers: Egypt shows U.S. should start drilling](#)

1/31/11

Houston Chronicle

Jennifer Dlouhy

Civil unrest in Egypt and fears about a shutdown of oil shipments through the Suez Canal are stoking higher crude prices and calls in Congress for expanding domestic energy production.

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Protesters have poured into the streets of Cairo and other Egyptian cities to demand the ouster of longtime President Hosni Mubarak. Police have used tear gas to quell the riots, and U.S. chartered flights were whisking Americans out of the country on Monday.

[Transocean Ltd. has temporarily closed its Cairo office amid the demonstrations and Statoil ASA also is halting offshore drilling in the region.](#)

Although Egypt only produces about 700,000 barrels per day, less than 1 percent of the global supply, the turmoil and concerns that it could spread throughout the region have driven up U.S. oil futures.

The price of crude oil for March delivery closed Monday at \$92.19 on the New York

Mercantile Exchange. Meanwhile, in London, Brent crude futures settled at \$101.01 a barrel on the Intercontinental Exchange — exceeding \$100 for the first time since 2008.

[Rep. Jeff Landry](#), a freshman Republican lawmaker from Louisiana, [said the U.S. should respond to the Egyptian turmoil by immediately green-lighting drilling projects](#) on federal lands and waters.

“Every day we fail to utilize our own energy resources in the Gulf of Mexico and across America is a day our economy is held captive to clashes in Egypt, dictators in Venezuela or terrorists in Western Africa,” Landry said. “Allowing production to occur in the Gulf of Mexico again will help alleviate the economic crisis of a Suez Canal shutdown and prevent Americans from waiting in long lines to pay 5 dollars a gallon for gas.”

Although production was not affected, the Obama administration halted deep-water exploration last year in the wake of the Gulf of Mexico oil spill. The government lifted that drilling moratorium in October, but regulators have not yet approved any new wells that would have been blocked by the ban.

Analysts at the energy investment bank [Tudor, Pickering and Holt](#) said the unrest in Egypt could boost pressure on federal regulators to speed up the deep-water permitting process, especially if the turmoil translates to higher prices at the pump.

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Many key decisions about oil and gas production on federal lands and waters are up to the administration — not Congress. But lawmakers could push legislation that would force the government to lease new territories for oil and gas development.

[Sen. Jeff Bingaman, D-N.M.](#), predicted that the unrest in Egypt would inspire lots of chatter about energy independence on Capitol Hill — just as soaring oil prices did in 2008.

“What we’re seeing in Egypt today is a reminder of our dependence on foreign sources of energy,” Bingaman said at a [New Democrat Network](#) event Monday. “Any time there is a disruption or a potential disruption in international supplies of oil, you see a lot of activity around Washington. People give speeches and propose various things need to be done immediately.”

But, Bingaman said, any policy changes — much less expanded production — won’t happen overnight.

“Most of the solutions to our dependence on foreign sources of oil cannot be done immediately,” Bingaman said. “I’m sure there will be calls for us to ramp up production, depending on how the situation in Egypt resolves itself, but I think the truth is most of the action that could be taken will have to occur over a substantial period of time.”

The issue is sure to come up during [a Senate Energy and Natural Resources Committee](#)

[hearing Thursday](#) on the world outlook for oil.

About 600,000 barrels of crude oil and about 1.2 million barrels of refined petroleum products flow through the Suez Canal every day. [If it were shut down](#), tankers would be trade the current 15-hour-long, 120-mile trip through the canal for a journey of at least 6,000 miles around the Cape of Good Hope that could take 600 hours.

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