

Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Hearing on “The American Energy Initiative: A Focus on the Outlook for Achieving North
American Energy Independence Within the Decade”
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There's an old saying that when good news comes knocking, you should open the door.

Today, we are going to talk about some very good news - the achievability of North American energy independence, and particularly oil independence, within the span of a mere decade. However, in order for this potential good news to become reality, the federal government has to take certain steps to allow it to happen.

I might add that it was not long ago that we were repeatedly told that we would have to live with declining U.S. and North American oil production. As recently as 2010, President Obama stated in a national address that we are running out of places to drill on land. And he still cites the outdated and misleading claim that we possess only two percent of the world's oil reserves.

But this pessimistic view is being blown away by reality. Increased domestic oil production is already cutting into the amount we need to import from unfriendly oil-exporting nations, and many experts believe that this production growth can continue for years to come. And when you add the equally impressive growth from our ally Canada, the goal of North American oil independence could be reached in as little as a decade.

The global implications are tremendous because the one thing that has not changed is the instability in the Middle East and the hostility of several major oil producing nations towards the U.S. However, the more oil that is produced in the U.S. and Canada, the less leverage OPEC or any of its individual member nations can exert over us. And now we have the chance to reduce that leverage virtually to zero with North American oil independence.

The geopolitical benefits alone are enough to make this goal worthwhile, and the economic benefits are just icing on the cake. North American energy independence would bring with it hundreds of thousands, if not millions, of new jobs in a rejuvenated energy industry. Indeed, it would succeed where the stimulus package failed, and rather than cost over \$800 billion it would actually add revenues to the federal treasury. When you compare the real oil-industry jobs already being created in states like North Dakota with the wishful thinking from Daniel Weiss of the Center for American Progress, who is testifying today, that the stimulus was going to create 900,000 clean energy jobs, it is clear which energy policy is going to put Americans back to work. And if all that were not enough, the extra supplies of oil would help reduce the price at the pump for years to come.

So, there is no question that good news is knocking on the door. However, President Obama has thus far refused to open that door. He has rejected the Keystone XL pipeline that would allow 700,000 barrels per day of additional Canadian oil to come into the country. Without it, Canada's growing surplus of oil may go to China and other willing buyers abroad.

Even more troubling is the fact that the president has blocked access to many energy-rich federal lands and offshore areas. Indeed, the increase in American oil production is especially impressive given that we have done it with one hand tied behind our back. According to the Congressional Research Service, fully 96 percent of the increase since 2007 has occurred on non-federal lands, where the Obama administration doesn't have the power to block leasing or impose permitting delays. But on federally-controlled lands and offshore areas, production has actually declined by two percent.

However, private and state-owned lands can't do it all. The full potential of North American energy independence cannot be realized if too many federal lands are left out of the equation. And to make

matters worse, the administration may be going after oil production on state and private lands as well through a regulatory crackdown on hydraulic fracturing. These anti-oil policies need to change.

We used to think that we were running up against the limits of geology and that there was nothing we could do to increase North American energy supplies. But the fact is that billions and billions of barrels of oil are waiting to be produced. The only obstacle is the political will to make use of the resource wealth that lies beneath our feet.

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