

Statement of Congressman Don Young, House Natural Resources Committee: Oversight Hearing on ANWR Jobs, Energy and Deficit Reduction: September 20, 2011

Chairman Hastings and Ranking Member Markey, thank you for having a hearing on this topic, which is not only important to Alaska, but the energy and economic security and well being of the nation as a whole.

At a time of high unemployment, high energy prices, and an urgent need to address our national debt, there is no question that this Nation needs the oil and gas that can be produced from ANWR.

Just look at the price of gasoline today. Though, it has fallen from the highs of 2008, the American consumer is seeing a large chunk of their budget left at the gas station. Home heating oil prices have soared similarly, and unless something is done home owners will continue to suffer again this fall when the weather turns cold.

So why are prices soaring? Is it a conspiracy? No, it is just supply and demand. As our economy grows, demand for energy increases. But domestic supply has not kept pace. And as everyone in their high school economics class knows, when demand increases and supply doesn't, prices go up.

Since 1973, the year of the Arab oil embargo that created economic havoc and put drivers into long lines at the gas pump, U.S. crude oil production has declined by nearly half. Today, we are producing here in the U.S. about the same amount of oil as when Harry Truman was President – even though our economy is fifty times larger than it was seven decades ago.

So it should come as no surprise that two-thirds of our oil now comes from foreign sources. Nor should it come as any surprise that last year we spent over \$333 billion to import oil from insecure sources of the world, including the Persian Gulf.

Those who argue against exploration in ANWR are arguing in favor of increasing our reliance on foreign suppliers.

Let's be honest and say that there will be some consequences to exploring and producing in ANWR. But let's also be honest and say that if we import the oil it will arrive in the U.S. in foreign ships that sometimes are not up to our standards. And our environmental safeguards for oil production are much more stringent than theirs are. So if you are really concerned about the environment you should prefer oil to be produced here rather than somewhere else in the world. Just a few short weeks ago news broke of a deal that will partner Exxon and Russia to drill in the Arctic. Do we really trust that Russia can protect the Arctic better than we can?

Although the ANWR region of Alaska encompasses 19 million acres, less than 2000 acres would actually be necessary to tap the region's vast resources though ultra-modern, environmentally sensitive drilling technology, including slant-drilling. To give some perspective on size, if the State of Alaska were a 1,000 page phone book, the 2000 acre drilling area would be equal to one-half of a square inch on one page of the 1,000 page phone book.

ANWR is believed to hold between 6 and 16 billion barrels of oil. The best estimate is that about 10 billion barrels of the oil are recoverable. But it

could be much larger, which we will only know through actual drilling. For example, in 1968 the Prudhoe Bay region of Alaska, which is to the West of ANWR, was believed to hold 9 billion barrels of recoverable oil. But that proved to be a gross under-estimate. So far, Prudhoe Bay has produced 16 billion barrels, and it will continue to produce for many years to come.

If President Clinton, in 1995, had not vetoed legislation that would have allowed exploration and production in ANWR, oil would be flowing today. As a result, we'd be enjoying the economic benefits of the hundreds of thousands of jobs created, increased revenue into the federal coffers, and a more certain energy supply.

The time is past due to open ANWR, and I implore this Committee to proceed with a bill that will accomplish this.

Thank you again for the opportunity to testify.