News from the
Committee on Natural Resources
Rep. Nick J. Rahall, II - Chairman
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Statement of U.S. Rep. Nick J. Rahall, II
Chairman, Committee on Natural Resources
Oversight Hearing on
"Offshore Drilling: Environmental and Commercial Perspectives"
February 11, 2009

The committee is meeting today in the first of a three-part series of oversight hearings designed to look at our current offshore drilling policy, and determine where we may need to go next.

Today we will hear from representatives of the environmental, tourism, and fishing industries. On February 24th we will hear from state officials, and on February 25th we will have the oil and gas industry present their viewpoint.

The purpose of these hearings is to allow all sides to air their views so that we can begin to determine the best way to move forward, and how to ensure that our offshore resources are managed in an environmentally and fiscally responsible manner.

I believe we all remember last year when oil prices neared $150 a barrel, gas was over $4 a gallon, and "Drill, Baby, Drill" was chanted repeatedly as the solution to high energy prices. While undoubtedly a catchy slogan, it drowned out a number of key facts that are essential to this debate.

First, the United States does drill, and we drill a lot. We are the third largest producer of oil and second largest producer of natural gas in the world, with roughly a third of that production coming from public lands.

There were more drilling rigs operating in the United States last year than in the rest of the world combined. Anyone who implies that we are not currently going after our own resources is being misleading.

Second, the vast majority of oil and natural gas in our Outer Continental Shelf is in those areas that are already being leased.

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According to the Minerals Management Service, 82% of the oil and 84% of the natural gas in the outer continental shelf are in those areas that were already available for drilling before the congressional moratorium expired last year.

Talking about the percentage of the OCS that is not being leased is far less important than whether or not we are leasing the right acreage.

Third, no reputable economist believes that increasing the amount of drilling we do in the OCS will have any real impact on energy prices.

The Energy Information Administration looked at what would happen if we started leasing every single acre of the OCS, and they found that the impact on prices would be, quote, “insignificant.”

Oil prices are set on the world market, and the United States does not have the reserves required to make a big dent in that market.

Fourth, we cannot drill our way to energy independence. The Energy Information Administration found that drilling everywhere on the OCS would produce roughly 200,000 barrels in additional oil per day in 2030, only 1% of what we currently consume.

Even the oil and gas industry agrees: a study contracted by the American Petroleum Institute found that unlimited OCS drilling would generate less than 300,000 barrels per day.

Finally, to be clear, I am not opposed to drilling. I understand the benefits that we get from domestic oil and gas production: the jobs, the royalties, the money that we keep here at home instead of sending overseas.

But I am also very aware of the risks. Last week was the 40th anniversary of the Santa Barbara Oil Spill, an environmental disaster that showed us in no uncertain terms what the dangers are.

If we are going to start drilling in new areas offshore, we have to be aware what the trade-offs are, we have to ensure that it can be done safely and carefully, and we have to ensure that it is being done in the best interests of the American people.

These three hearings are just the start of this discussion. Under the leadership of Representative Costa, the Subcommittee on Energy and Mineral Resources will be looking at these issues in even more depth in the coming months.

With oil prices down to multi-year lows, no leasing moratorium on the Atlantic and Pacific coasts, and a new administration in the White House, this is the time to look at these issues anew.

I thank the witnesses for coming today, and I now recognize our ranking member, Mr. Hastings, for his opening remarks.