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**Strengthening U.S. Energy Security
And Stimulating the U.S. Economy
Through Access to U.S. Energy Resources**

Mr. Chairman ... Ranking Member Hastings ... Members of the Committee.

This morning, I would like to discuss how increased access to U.S. energy supplies will strengthen U.S. energy security ... create jobs for more Americans ... stimulate the U.S. economy ... and increase revenues to federal and state governments.

And I would like to describe how the energy industry can help achieve each of these objectives in an environmentally responsible way.

The need for making more oil and natural gas available to Americans is clear. The United States' continued economic growth and prosperity depend on access to reliable and affordable supplies of energy.

There is no single answer to our energy needs. We must pursue an integrated set of solutions that will help us accelerate gains in energy efficiency... curb greenhouse-gas emissions... and develop new supplies of energy from all sources, including oil and natural gas found in our nation's own backyard.

Thankfully, the United States is endowed with significant energy resources. Unleashing their value for the benefit of all Americans represents an important opportunity for growth, not only for these challenging times, but also to underpin the longer term health of our economy.

It is important to note that the current estimates for the oil and gas potential in the OCS areas that have been off limits were made using data from now-outdated technology, and we have seen historic resource underestimates result from this. Where industry has been able to collect data utilizing advanced technology, the resource estimates have grown. In 1987, for example, the U.S. Government estimated that there were 9 billion barrels of oil in the Gulf of Mexico. By 2006, advanced technologies caused the resource estimate for that area to grow to 45 billion barrels.

But meeting Americans' basic energy needs is only one of many reasons the United States should develop our domestic oil and natural gas resources.

Doing so will also strengthen U.S. energy security. By diversifying our nation's energy portfolio with more energy from more domestic locations, Americans will be less vulnerable to supply interruptions from any one region or country of the world.

Developing more of our domestic energy resources will help stimulate our economy. According to one recent study, the decision to lift bans on offshore oil and gas production alone could lead to investments that generate more than 76,000 new jobs in our industry, which now accounts for nearly 6 million employed Americans.

Increased domestic energy production will help ease pressure on federal and state budgets, too. Annual receipts from mineral leases are already a major source of federal and state revenues. Opening additional domestic offshore areas to production opens the door to more than \$1.3 trillion

in additional royalties, bonus bids, rental fees, and other tax revenues for our federal and state governments. Federal oil and natural gas leasing has generated in excess of \$200 billion since 1953 through bonus bids, royalties and lease rental payments alone, not including any tax revenues.

In developing our domestic resources, the energy industry is also committed to doing so in an environmentally responsible manner.

It has been more than 30 years since the first offshore moratorium was imposed. In those intervening decades, our industry has made tremendous leaps forward in technology ... operational excellence ... and environmental performance.

For example, extended-reach directional drilling now enables us to develop areas up to six miles from a single location, minimizing the environmental footprint. Advances in subsea production ensure facilities remain safe and largely hidden from view. And technology currently in place in the Gulf of Mexico has already proven able to prevent spills even during hurricanes.

We can apply these technologies and more to new areas opened to development and preserve the safety, biodiversity, and beauty of America's coastlines.

We look forward to working with the Congress, the Department of the Interior, and state governments to find safe, secure, and environmentally responsible ways to use America's resources to produce the energy America needs right here at home – and in so doing, create jobs, strengthen our security and grow our economy.

Thank you.