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4 MARKUP ON H.R. 2021, THE JOBS AND ENERGY PERMITTING ACT OF
5 2011
6 WEDNESDAY, JUNE 1, 2011
7 House of Representatives,
8 Committee on Energy and Commerce
9 Washington, D.C.

10 The Committee met, pursuant to call, at 4:04 p.m., in
11 Room 2123 of the Rayburn House Office Building, Hon. Fred
12 Upton [Chairman of the Committee] presiding.

13 Members present: Representatives Upton, Barton,
14 Whitfield, Terry, Burgess, Scalise, Cassidy, Gardner, Rush,
15 Eshoo, Green, Schakowsky and Butterfield.

16 Staff present: Jim Barnette, General Counsel; Michael
17 Beckerman, Deputy Staff Director; Mike Bloomquist, Deputy
18 General Counsel; Anita Bradley, Professional Staff Member;

19 Maryam Brown, Chief Counsel, Energy and Power; Garrett
20 Golding, Legislative Analyst, Energy; Cory Hicks, Policy
21 Coordinator, Energy and Power; Peter Kielty, Senior
22 Legislative Analyst; Heidi King, Chief Economist; Ben
23 Lieberman, Counsel, Energy and Power; Dave McCarthy, Chief
24 Counsel, Environment and Economy; Carly McWilliams,
25 Legislative Clerk; Jeff Mortier, Professional Staff Member;
26 Jen Berenholz, Democratic Chief Clerk; Greg Dotson,
27 Democratic Energy and Environment Staff Director; and Karen
28 Lightfoot, Democratic Communications Director and Senior
29 Policy Advisor.

|
30 H.R. 2021

31 4:04 p.m.

32 The {Chairman.} This markup addresses a bipartisan bill
33 from our American Energy Initiative, the Jobs and Energy
34 Permitting Act of 2011. Those of us seeking ways to reduce
35 future energy prices and create jobs can make a good start by
36 voting for this bill.

37 We were originally scheduled to consider two bills
38 today, but time constraints require us to postpone
39 consideration of the TRAIN Act so that our Democratic
40 colleagues can attend their meeting at the White House with
41 President Obama tomorrow afternoon. We will reschedule that
42 measure, and I thank my colleagues for their understanding as
43 we try to accommodate busy schedules.

44 This bill that we are doing today is a meaningful
45 opportunity to do something for job creation and to address
46 the price of gasoline. Fortunately, gas prices have dropped
47 in recent weeks, but still, \$3.80 instead of \$4 a gallon is
48 hardly reason to celebrate. Slight declines in joblessness
49 are similarly disappointing, especially when so many are
50 still out of work. And of course, any modest improvements
51 could prove to be temporary.

52 Some scratch their heads over stubbornly high energy

53 prices and unemployment as if there is some big mystery over
54 the causes, but in truth, most of the contributing factors
55 are clear, and one of them is the crushing federal regulatory
56 burdens.

57 Overregulation is a problem in virtually every area of
58 the economy, but perhaps is most damaging when it comes to
59 the roadblocks facing domestic oil production. Since January
60 of 2009, this Administration has added new layers of delays
61 and outright restrictions on top of a regulatory system that
62 already had too much of both. In fact, a number of offshore
63 energy leases are no better than dry holes, not because the
64 oil isn't there but because the process of exploration and
65 drilling is held up by delays that never seem to end.

66 A case in point, and something we hope to begin
67 correcting today, are the EPA's years-long permitting delays
68 under the Clean Air Act. These regs have blocked exploration
69 off the coast of Alaska for years and apply to other offshore
70 areas as well. The Gardner-Green Jobs and Energy Permitting
71 Act would break this logjam by providing regulatory certainty
72 for offshore oil exploration. In the case of Shell Oil's
73 effort to produce oil off the coast of Alaska, permits have
74 yet to be approved after languishing for 5 years at the EPA.
75 Shell testified in a recent hearing that it has drilled 400
76 exploratory wells around the world in the same time since it

77 filed its first permits in the U.S. Arctic. We are only
78 jeopardizing our own security with this unnecessarily long
79 process.

80 The Gardner-Green bill will end the perpetual circuit of
81 permits, reviews and appeals created by EPA's current system
82 for offshore drilling permit approval. Production off the
83 coast of Alaska could make enormous strides to decrease our
84 foreign oil imports, refill the Trans-Alaska Pipeline and
85 create, believe it or not, tens of thousands of jobs. Yet
86 EPA insists on holding up the development of this resource
87 that holds such great potential for our economy and national
88 security.

89 The Jobs and Energy Permitting Act will streamline EPA's
90 process and force it to make decisions on permits in a timely
91 manner. This is commonsense, bipartisan legislation that
92 should be approved by this panel and eventually the whole
93 House.

94 [The prepared statement of Mr. Upton follows:]

95 ***** COMMITTEE INSERT *****

|
96 The {Chairman.} At this point I will yield 3 minutes to
97 the gentlelady from California for an opening statement.

98 Ms. {Eshoo.} Thank you, Mr. Chairman.

99 I am disappointed in the bill that is being taken up,
100 which advances the agenda of the oil and gas industry at the
101 expense of public health. H.R. 2021, the Jobs and Energy
102 Permitting Act, would expedite air permits for oil and gas
103 operations on the Outer Continental Shelf while making it
104 harder and more expensive for citizen groups to raise
105 concerns about a permit. States such as my home State of
106 California have strong pollution standards and they have
107 expressed concern that they would lose regulatory control
108 over major pollution sources and the health of those working
109 just offshore such as fisherman, and I have many of them in
110 my district, recreational users, again, many of them in my
111 district because part of the beautiful California coast is
112 part of my congressional district, and oil production crews.
113 They will all be jeopardized by this legislation.

114 While government agencies should work to increase
115 efficiency to make sure that permits are issued in a timely
116 fashion, it shouldn't be done at the expensive of coastal
117 communities. We should value the health of Americans over
118 policies favoring oil companies and their record profits,

119 already, \$36 billion this year, and their best year since
120 2008.

121 What I am pleased about is that H.R. 1705, the
122 Transparency in Regulatory Analysis of Impacts on the Nation,
123 called the TRAIN Act, was pulled from today's markup. H.R.
124 1705 did not follow the Republican cut-go rule and creates
125 exactly what the majority says they want to get rid of,
126 another bureaucratic layer, only this one is designed to
127 produce an outcome that favors industry while wasting
128 taxpayer dollars. It sounds like a combination of the worst
129 things, most frankly.

130 I urge my colleagues to vote against H.R. 2021, the Jobs
131 and Energy Permitting Act. It is not aptly named. Thank
132 you, and I yield back.

133 [The prepared statement of Ms. Eshoo follows:]

134 ***** COMMITTEE INSERT *****

|
135 The {Chairman.} The gentlelady yields back.

136 At this time I will yield 3 minutes to the chairman of
137 the Energy and Power Subcommittee, Mr. Whitfield.

138 Mr. {Whitfield.} Well, thank you, Chairman Upton, for
139 holding this markup to advance H.R. 2021, the Jobs and Energy
140 Permitting Act, which seeks to expedite the process of
141 obtaining exploratory permits from EPA. This will help bring
142 down domestic oil prices and create additional jobs.

143 This bill was introduced by Cory Gardner and Gene Green,
144 and the Energy Subcommittee actually had hearings on the
145 bill, one on April 13th and the other on May 13th. Senators
146 Murkowski and Begich as well as Congressman Young testified
147 along with the commissioner of Natural Resources in Alaska.
148 All of them talked about how important this was for drilling
149 in Alaska, and also how important it was to provide
150 additional supply to keep the Trans-Alaska Pipeline system
151 running, which is seen a decline of 6 percent per year
152 recently.

153 At the second hearing on this bill, we heard from the
154 Assistant EPA Administrator, Gina McCarthy, who defended the
155 EPA and the Environmental Appeals Board, which in my view is
156 holding up this permit in vast amounts of bureaucratic red
157 tape. Six years, five years is too long to wait for a

158 permit.

159 So I believe this legislation is vital to our energy
160 security. We must develop domestic resources in an
161 environmentally friendly manner so that we can lower gas
162 prices at the pump, be less dependent on foreign oil and
163 create more domestic jobs here in our country.

164 So I urge all members to support this legislation and I
165 yield back the balance of my time.

166 [The prepared statement of Mr. Whitfield follows:]

167 ***** COMMITTEE INSERT *****

|
168 The {Chairman.} The gentleman yields back.

169 At this time I will recognize the ranking member of the
170 Energy and Power Subcommittee, Mr. Rush, for 3 minutes.

171 Mr. {Rush.} I want to thank you, Mr. Chairman, and
172 today we are marking up the so-called Jobs and Energy
173 Permitting Act of 2011, or the more aptly named, the Shell
174 bill.

175 This bill, which is being pushed through the legislative
176 process to help out the good people of Shell get their
177 drilling permits without having to go through the hassle of
178 the permitting process, would amend section 328 of the Clean
179 Air Act that addresses air pollution from the Outer
180 Continental Shelf drilling activities.

181 I applaud the majority for pulling the TRAIN Act from
182 being marked up today after Mr. Waxman and I brought to your
183 attention in a letter yesterday that the bill as amended
184 would violate the very rules that the majority put in place
185 at the beginning of this Congress, that each new program
186 would need to be paid for by reducing spending for another
187 program.

188 Mr. Chairman, I have voiced my concerns with the Shell
189 bill, and I am deeply disappointed that the majority has
190 chosen to go its own way on this legislation rather than

191 working with the minority side to bring a bipartisan bill to
192 the full committee today. As I have stated in previous
193 proceedings on this bill, this piece of legislation reduces
194 the environmental protections associated with drilling
195 activities in the Outer Continental Shelf while also reducing
196 the input of local communities who in many cases are the very
197 ones most affected by drilling in these areas.

198 Mr. Chairman, in the subcommittee markup, I offered an
199 amendment that would have ensured that we are not cutting out
200 the people who are the most vulnerable and who have the most
201 to lose when these permitting and regulatory decisions are
202 being made. The amendment I offered, which was defeated on a
203 partisan vote, would have allowed the Administrator to
204 provide additional 30-day extensions if the Administrator
205 determined that such time was necessary to meet the
206 requirements of section 4 in order to provide adequate time
207 for public participation or to ensure sufficient involvement
208 by one or more affected. Unfortunately, Mr. Chairman, this
209 amendment was defeated and consequently community input may
210 be greatly diminished if this bill ever were to become law.

211 Mr. Chairman, I hope that tomorrow when the full
212 committee markup begins, the majority side will be more
213 willing to allow Democratic amendments to this bill so that
214 we could bring a more bipartisan bill to the Floor and

215 ultimately to the Senate.

216 Mr. Chairman, with that, I yield back the balance of my
217 time.

218 [The prepared statement of Mr. Rush follows:]

219 ***** COMMITTEE INSERT *****

|
220 Dr. {Burgess.} [Presiding] The gentleman yields back.

221 The chair recognizes the gentleman from Nebraska for 3
222 minutes.

223 Mr. {Terry.} Thank you, Acting Chairman.

224 I want to thank the full committee chair for bringing
225 this through regular process. After two hearings on this
226 bill and the regulatory abuse of power that was discovered
227 through this process, this regulatory agency treating the
228 permittee like a yoyo, yanking them up and down, giving it to
229 them, taking it away, changing the rules in the middle of the
230 process, it commands our involvement. I am disappointed that
231 we don't have more on the other side of the aisle that are
232 equally outraged at the type of authority and abuse that this
233 regulatory agency has engaged in.

234 Now, this proposal is just a first step in moving out
235 country to energy security. The USGS estimates that the
236 Chukchi alone holds 27 billion barrels of oil and 132
237 trillion cubic feet of natural gas. When Prudhoe Bay was
238 discovered, it was estimated to have 10 billion barrels of
239 oil. It has now produced 16 and is still in production.
240 Chukchi cannot go into production until the exploration phase
241 is completed and the exploration permit is what is being held
242 up.

243 Price at the pump is affected by supply. USGS believes
244 that we have a domestic supply available to us. We need to
245 move forward to confirm this supply, and we need to move
246 forward to use domestic product. We need to move forward to
247 create good-paying jobs for all American citizens. The EPA
248 process is broken.

249 H.R. 2021 puts an end to the ping-pong yoyo between EPA
250 and the EPA Environmental Review Board and sets a hard time
251 limit on decisions. It is a simple approach. I support this
252 bill and look forward to it going to the floor. Yield back.

253 [The prepared statement of Mr. Terry follows:]

254 ***** COMMITTEE INSERT *****

|
255 Dr. {Burgess.} The gentleman yields back.

256 At this point I recognize the co-author of the bill, the
257 gentleman from Texas, Mr. Green.

258 Mr. {Green.} Thank you, Mr. Chairman, for holding the
259 markup today, and I strongly support this bill because the
260 EPA needs to have an offshore air permitting approval system
261 in place that is predictable, workable and understandable
262 because currently it is not.

263 This is nowhere more evident than what has happened with
264 Shell's exploratory plant off the shore of Alaska. Five
265 years later, we still don't have a permit due to the permit
266 approval ping pong created by EPA and its EAB. That is why
267 this legislative I worked with Representative Gardner to
268 change the EPA OCS air permitting process for exploration
269 plans only to mirror what the OCS air permitting process
270 utilized by the Department of Interior in the Gulf of Mexico.
271 By doing this, we can rest assured we will have strong
272 offshore air permitting process we need but that these
273 projects are not left in limbo like we have seen with EPA in
274 recent years.

275 Having said that, I want to use the remainder of my time
276 to refute some of the claims that the opponents of this bill
277 are making. First, some claim that this bill will harm all

278 air quality and public health offshore and on the Alaska
279 North Slope in particular, yet in a Congressional hearing EPA
280 Administrator Lisa Jackson testified regarding the Shell
281 offshore air permit, stating ``I believe that the analysis
282 will show that there is no public health concern here.'' In
283 fact, these activities will not cause air pollution that will
284 endanger health.

285 Second, opponents of the bill claim that by taking the
286 Environmental Appeals Board out of the process, we are
287 completely removing the citizens from the process and making
288 it difficult to plead their case. To the contrary, the
289 public comment period on EPA-issued air permits under the
290 Clean Air Act remains exactly the same under this
291 legislation. The public has the opportunity for up to four
292 additional comment opportunities during the NEPA process
293 associated with the Outer Continental Shelf lease sale
294 process. There is no EAB air permits in the central and
295 western Gulf of Mexico yet opportunities for public input are
296 available. In fact, immediately moving a challenge to
297 federal court is 100 percent consistent with the process in
298 other OCS areas and other provisions in the Clean Air Act
299 that go directly to federal court. So this legislative
300 change is not unfounded.

301 Finally, under EPA regulations, the Environmental

302 Appeals Board will continue to have tremendous authority to
303 review. They will still review resource conservation and
304 recovery act permits, underground injection control permits,
305 national pollutant discharge elimination system permits and
306 all other prevention and significant deterioration permits
307 that are issued under the Clean Air Act for onshore air
308 permits and offshore production permits. So again, we are
309 not gutting the Environmental Board. These changes are only
310 for exploratory wells that are temporary in nature, not
311 production wells where drilling will continue for months, if
312 not years. The EAB will still play a part in that process.

313 Finally, I want to remind my colleagues that in the
314 Gulf, these same permits are issued around 45 days. So when
315 a company has been trying for 5 years to get exploratory
316 drilling permits, something is wrong with the process. I
317 urge my colleagues to support the bill and streamline these
318 issues. The EPA can still deny the permits if they do not
319 meet their standards. These companies just need an answer in
320 one way or another in a timely manner. I yield back my time.

321 [The prepared statement of Mr. Green follows:]

322 ***** COMMITTEE INSERT *****

|
323 Dr. {Burgess.} The gentleman yields back.

324 At this time the chair would recognize the lead sponsor
325 of the bill, the gentleman from Colorado, Mr. Gardner, for 3
326 minutes.

327 Mr. {Gardner.} Thank you, Mr. Chairman. Thank you for
328 holding this hearing and markup today and for placing such
329 importance on this legislation which has the potential to
330 create tens of thousands of jobs annually, \$100 billion in
331 payroll over the next 50 years and 1 million barrels of oil
332 per day. One million barrels of oil per day of American-
333 produced energy, that is the equivalent of 10 percent of the
334 foreign oil we use, which would reduce our dependence
335 significantly.

336 Foreign nations, some of which have serious animosity
337 towards the United States, are in control of the vast
338 majority of oil we use day in and day out, and the question
339 that I have to ask is, is this dependency the kind of policy
340 that this country wants to promote? That is a scary reality
341 and one that this bill directly addresses.

342 The bipartisan Jobs and Energy Permitting Act, I want to
343 thank the gentleman from Texas, Mr. Green, for his
344 cosponsorship, will streamline the process of offshore
345 permitting. Current impediments have delayed activities in

346 the Beaufort Chukchi Sea off Alaska's North Slope where
347 exploration has yet to begin on leases that were signed over
348 5 years ago.

349 The bill makes a number of minor changes. First, it
350 will clarify that a drilling vessel is stationary when
351 drilling begins, and therefore should only be regulated as
352 stationary at that point. Second, it clarifies that service
353 ships are not stationary sources by virtue of the fact that
354 they do not stop to drill. They are mobile sources,
355 regulated as such under Title II of the Clean Air Act. It
356 doesn't make sense that a service or delivery truck would be
357 regulated as a stationary source with regard to an onshore
358 oil rig so why would a vessel with the same purpose in the
359 water be regulated as such.

360 Third, the bill clarifies that emission impacts are
361 measured onshore where the people reside. Lastly, the bill
362 eliminates the needless Environmental Appeals Board in the
363 exploratory drilling process and requires final agency action
364 to take place within 6 months, approving or denying within 6
365 months, putting us more in line with the process and
366 procedure that takes place in the Gulf of Mexico by the
367 Department of Interior.

368 Mr. Chairman, Coloradoans support increased domestic
369 energy production. As stewards of a State that possesses

370 vast energy resources, they understand firsthand the
371 potential that this great Nation holds for energy production,
372 both traditional and renewable. Every day I talk to
373 constituents who simply do not understand the hoops and the
374 barriers that they have to jump through in order to permit,
375 site and drill in order to help us reduce the price of gas at
376 the pump. And while we are talking about an offshore issue
377 today, it is the same general problem. We have a current
378 anti-domestic energy philosophy in the United States which is
379 harming our ability to create jobs, bring in revenue to our
380 State and allow us to become more energy dependent.

381 Mr. Chairman, Alaska holds a lot of potential, and this
382 bipartisan bill achieves great things by allowing a
383 responsible and efficient process to take place for companies
384 that seek to drill in the OCS.

385 Thank you, Mr. Chairman. I look forward to working with
386 all the members of this committee, and I yield back my time.

387 [The prepared statement of Mr. Gardner follows:]

388 ***** COMMITTEE INSERT *****

|
389 Dr. {Burgess.} The gentleman yields back.

390 At this time the chair would recognize the gentlelady
391 from Chicago, Ms. Schakowsky, for 3 minutes for the purposes
392 of an opening statement.

393 Ms. {Schakowsky.} Thank you, Mr. Chairman.

394 I just want to say to the sponsor of the bill, those who
395 might oppose the legislation certainly are not against
396 American-produced energy, and what we have seen over and over
397 from the opposite side of the aisle is anything other than
398 oil is not to be supported, and I think that is a very
399 shortsighted view.

400 I am opposed to H.R. 2021, the Jobs and Energy
401 Permitting Act which would, I believe, undermine the EPA's
402 ability to protect the environmental and public health. I
403 would like to remind my colleagues that environmental
404 protection and job creation are not mutually exclusive
405 actions as the title of the bill suggests. In fact, actions
406 taken to protect the environment have spurred green job
407 growth for decades. H.R. 2021 would ease Clean Air Act
408 pollution standards for more than 20 years. Section 328 of
409 the Clean Air Act has held Outer Continental Shelf oil
410 drilling sites to the same air quality standards as those
411 found on land. That has protected fishermen, communities and

412 wildlife from harmful pollutants. H.R. 2021 would weaken
413 these critical protections, measuring air quality only on the
414 land far from the drilling site rather than at the site
415 itself.

416 H.R. 2021 would also expedite the approval process of
417 environmentally hazardous drilling, mandating that the EPA
418 act on permit requests within 6 months, down from a maximum
419 1-year evaluation period. There is no need to rush important
420 and complicated environmental impact analysis, a move that
421 would provide limited benefit at a significant potential cost
422 to American safety.

423 Finally, the bill would prevent the Environmental
424 Appeals Board from challenging EPA-granted permits, ending
425 the effective and non-controversial means of challenging EPA
426 rulings. Without the EAB, individuals and communities would
427 have to appeal those rulings to the D.C. Circuit Court that
428 would prove too costly and time consuming for most
429 challengers.

430 As oil companies continue to plunder the American
431 consumer and treat the environment as a disposable commodity,
432 some in Washington seem eager to assist them at every turn.
433 The American people deserve better. I can't support this
434 bill. And I yield back the balance of my time.

435 [The prepared statement of Ms. Schakowsky follows:]

436 ***** COMMITTEE INSERT *****

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437 Dr. {Burgess.} The gentlelady yields back.

438 The chair would now recognize himself for the purposes
439 of an opening statement.

440 Today, we are marking up a bill that will put Americans
441 back to work, will increase domestic energy production and
442 ultimately lower the price of energy at the pump and the
443 price of energy for our homes. It is the job of this
444 committee to utilize regular order for all of these bills,
445 providing members the opportunity to hear from stakeholders
446 and the Executive Branch to also participate as to the
447 positive impact that these bills could have on the economy.

448 Today's legislation, H.R. 2021, the Jobs and Energy
449 Permitting Act of 2011, will fix a problem at the
450 Environmental Protection Agency which has allowed the
451 Environmental Appeals Board to hold up exploratory permits in
452 the Outer Continental Shelf in the Arctic for over 5 years at
453 a cost of billions of dollars, billions of dollars that could
454 have been used for other purposes, perhaps to hire workers,
455 feed families, pay taxes.

456 The Environmental Protection Agency in some ways truly
457 has become a runaway agency where a final decision on a
458 permit can be put off indefinitely without any sort of
459 accountability. This has to stop, and this committee is

460 doing the right thing in moving the process forward for the
461 Environmental Protection Agency to make a final decision. We
462 are not telling them what decision to make. We are simply
463 asking that they make a final decision.

464 It does strike me, hearing some of the rhetoric in this
465 committee and in this Congress, how in the world can you
466 consistently be anti-business, anti-energy and yet say you
467 are pro jobs? The two just simply do not compute.

468 Our economy is still very fragile. The recovery is
469 tenuous. It seems as if the Environmental Protection Agency
470 is determined to finish its destruction. We must not let up
471 on the oversight that this committee has performed since
472 January. We must keep accountable those federal agencies who
473 seem more concerned with red tape than with American
474 families. I support this legislation. I urge its passage.

475 [The prepared statement of Mr. Burgess follows:]

476 ***** COMMITTEE INSERT *****

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477 Dr. {Burgess.} With that, I am going to yield back the
478 balance of my time and recognize the gentleman from
479 Louisiana, Mr. Scalise, for 3 minutes for the purpose of an
480 opening statement.

481 Mr. {Scalise.} Thank you, Mr. Chairman.

482 Since Republicans have been leading the House for the
483 last few months, we have passed legislation that brings a
484 commonsense approach to establishing an all-of-the-above
485 energy strategy that will strengthen our country's energy
486 security, create good jobs here at home, reduce our
487 dependence on Middle Eastern oil, and lower gas prices at the
488 pump.

489 For too long, this Administration has led an all-out
490 assault on domestic energy production and has insisted on
491 shipping millions of American jobs overseas, oftentimes to
492 countries who don't like us. From radical EPA rules that
493 will raise electricity costs on every American to regulations
494 on manufacturers that will result in higher prices on goods
495 to consumers, this Administration must reverse these job-
496 killing policies.

497 In my home State of Louisiana and all along the Gulf
498 Coast where approximately one-third of our domestic oil and
499 almost one-quarter of our domestic natural gas is produced,

500 this Administration has insisted on blocking safe drilling
501 off of our coast. By refusing to issue permits and stalling
502 the entire permitting process, this Administration is
503 dangerously jeopardizing our energy security, and these
504 failed policies have already resulted in job losses of over
505 13,000 Americans who have lost their jobs, and that is by the
506 White House's own numbers, by the way. Over 14 offshore rigs
507 have left our country, and these are very expensive, high-
508 paying jobs, over \$1 billion asset each, and we are talking
509 about the ability for American to be energy-secure that we
510 are losing every single day that these rigs are leaving and
511 going to foreign countries. In fact, one has even gone to
512 Egypt, and so it is really a sad day when an employer, a
513 major employer, thinks it is better to do business in Egypt
514 than in the United States of America.

515 Americans spoke loud and clear last fall that they want
516 to end these radical liberal policies. What they also want
517 is to see us replace them with commonsense solutions that
518 will put Americans back to work and get our economy back on
519 track while eliminating wasteful Washington spending.

520 The bill before our committee today is an important step
521 in that right direction towards accomplishing these goals.
522 It will actually strengthen our energy security and shine a
523 light on the failed policies of this Administration. I urge

524 my colleagues to support these important bills and finally
525 put us back on track to where we can create jobs in America
526 and become energy-secure as opposed to the current policy
527 where we are running jobs out of our country and putting our
528 country in a greater dependency on Middle Eastern oil and
529 many of these countries that we are sending this money to
530 don't like us. So we can accomplish many great things by
531 having a strong national energy policy that allows us to
532 utilize our own resources here at home, creating good jobs,
533 bringing in billions of dollars to the Federal Government
534 that will actually reduce the deficit and can help us control
535 spending while also making our country energy-secure and
536 reducing our dependence on Middle Eastern oil.

537 So I hope we will pass these bills and then push them
538 over to the Senate where the Senate finally needs to start
539 taking action in helping us to accomplish these goals.

540 Thank you, and I yield back.

541 [The prepared statement of Mr. Scalise follows:]

542 ***** COMMITTEE INSERT *****

|
543 Dr. {Burgess.} The gentleman yields back his time.

544 The chair at this point recognizes the gentleman from
545 North Carolina, Mr. Butterfield, for the purposes of an
546 opening statement, 3 minutes, sir.

547 Mr. {Butterfield.} Thank you very much, Mr. Chairman.

548 Mr. Chairman, as we mark up this legislation, it is
549 important to keep in mind what the bill does and what it does
550 not do. It does, Mr. Chairman, eliminate and undermine
551 several environmental safeguards that affect oil and gas
552 production on the OCS. It does place arbitrary time limits
553 on the review of these air permits and it does put air
554 quality and human health along these coastlines and beyond at
555 risk.

556 Despite the rhetoric, it does not lower gas prices at
557 the pump. Even a cursory look at the market fundamentals
558 shows that our current high prices are not simply the product
559 of supply problems. Quite the contrary, there is a glut of
560 crude supply sitting right here in the United States in
561 Cushing, Oklahoma. Last year marked a significant increase,
562 not a decrease, Mr. Chairman, an increase in domestic oil
563 production. Adding to the supply will do nothing to offset
564 high gas prices that ravage poor rural districts like my
565 district. Indeed, the EIA stated that opening all OCS lands

566 for drilling would have no effect on U.S. gasoline prices
567 until 2030, and even then, the effect would be very
568 negligible.

569 This bill is about providing even greater latitude to
570 the oil companies at the expense of the environment and
571 public health. I have no problem, Mr. Chairman, with oil
572 companies making a profit and encourage their continued
573 innovation in safer, smarter drilling. The fact is, we have
574 established working regulatory processes that should not be
575 hamstrung at the request of an oil company. There are so
576 many other energy problems this committee could work to
577 resolve from dealing with oil market speculation to tackling
578 our future with ethanol. That is the conversation we need to
579 have.

580 Let us get serious and do the people's work, and I thank
581 you. I yield back.

582 [The prepared statement of Mr. Butterfield follows:]

583 ***** COMMITTEE INSERT *****

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584 Dr. {Burgess.} The gentleman yields back.

585 At this time the chair recognizes the chairman emeritus
586 of the full committee, the gentleman from Texas, Mr. Barton,
587 for 5 minutes.

588 Mr. {Barton.} Thank you, Mr. Chairman. I won't take 5
589 minutes. I am going to submit my official statement, my
590 formal statement for the record and just speak
591 extemporaneously.

592 I listened to my friend from North Carolina and his
593 opening statement, and I appreciate his candor in giving it.
594 The bill, or at least one of the bills that we are going to
595 mark up tomorrow, the Jobs and Energy Permitting Act of 2011,
596 H.R. 2021, I have got right here. It is three pages. It is
597 not a complicated bill, and it simply clarifies under Title
598 II of the Clean Air Act what is a stationary source and what
599 is a mobile source. That shouldn't be controversial. It
600 shouldn't be partisan.

601 We have had testimony at a hearing earlier, well,
602 actually last month. I started to say earlier this month but
603 this is June 1st, so it couldn't be earlier this month.
604 Shell has spent in the neighborhood of \$1 billion up in
605 Alaska in trying to get the requisite permits for one
606 drilling platform, and they spent 5 years trying to do it,

607 and unless they got in the last week, they haven't got it,
608 Mr. Chairman, and that to me is ridiculous. So if this bill
609 passes committee tomorrow and it passes the House and passes
610 the Senate and the President signs it, we wouldn't have that
611 problem, and there is no guarantee. The gentleman from North
612 Carolina is correct, there is no guarantee that we would find
613 meaningful supplies of oil and gas in the Arctic Ocean but
614 all the seismic analysis indicates that there could up to a
615 million barrels a day out of this one field that Shell has
616 been trying to get the permits to do the exploratory well for
617 the last 5 years. A million barrels a day, if that turns out
618 to be true, Mr. Chairman, is not chicken feed. It is 5
619 percent of our consumption and it would be in the
620 neighborhood of 15 percent of our domestic production, and
621 that is worth amending Title II of the Clean Air Act to
622 clarify.

623 So I am supportive of the legislation and I look forward
624 to productive debate and hopefully full committee passage
625 tomorrow. With that, I yield back.

626 [The prepared statement of Mr. Barton follows:]

627 ***** COMMITTEE INSERT *****

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628 Dr. {Burgess.} The gentleman yields back his time.

629 Are there further opening statements that wish to be

630 recorded on the bill? Seeing none, the chair calls up H.R.

631 2021 and asks the clerk to report.

632 The {Clerk.} H.R. 2021, to amend the Clean Air Act

633 regarding air pollution from Outer Continental Shelf

634 activities.

635 [H.R. 2021 follows:]

636 ***** INSERT 1 *****

|
637 Dr. {Burgess.} Without objection, the first reading of
638 the bill is dispensed with and the bill will be open to
639 amendment at any point. So ordered.

640 For the information of members, we are now on H.R. 2021.
641 The committee will reconvene at 9:00 a.m. tomorrow. I will
642 remind members that the chair will give priority recognition
643 to amendments offered on a bipartisan basis. I look forward
644 to seeing you all back here tomorrow.

645 The committee now stands in recess.

646 [Whereupon, at 4:39 p.m., the committee recessed, to
647 reconvene at 9:00 a.m., Thursday, June 2, 2011.]