

Opening Statement
Ranking Member Edward J. Markey
Natural Resources Committee Oversight Hearing
*“Harnessing American Resources to Create Jobs and Address Rising Gasoline Prices:
Domestic Resources and Economic Impacts”*
March 31, 2011

When John Lennon penned the song “Imagine” in 1971, it was an anthem for dreamers in search of a utopia here on Earth.

40 years later, we will hear today about the pursuit of another imaginary utopia with the majority and the oil industry harmonizing on the same refrain: “Imagine.”

Imagine a world where the price of oil is determined by a free market and where an increase in domestic drilling might lower the price for consumers.

Imagine a world where President Obama is locking up our domestic resources and preventing American oil production.

Imagine there was no BP oil spill. And that isn't easy, even if you try.

And imagine that the majority is truly for an "all of the above" energy strategy, and that they are serious about developing renewable energy on public lands.

Unfortunately, these are all dreams.

The oil market isn't free. It is a rigged monopoly, manipulated by a cartel that is draining the wealth out of the American economy. Any increase in the domestic production of oil can simply

be offset by cuts in OPEC production so that the price remains as high as possible.

The Administration is not locking up public land and preventing energy production. 40 percent of all public lands, and 60 percent of the public lands in the lower 48, are currently open to energy development. Roughly 80 percent of all oil and gas resources on the outer continental shelf are in areas where drilling is allowed. Our domestic oil production is at its highest level in nearly a decade.

As a result, the 5 largest oil companies made nearly \$1 trillion in profits over the last decade while consumers paid record prices at the pump. With oil prices sky high and with 61 million acres of public land under lease on which they have not yet even started producing oil, the coming decade is looking to

be just as profitable for Big Oil and just as painful for the American people.

There is no de facto moratorium. The temporary pause on new deepwater wells in the Gulf occurred in the wake of the worst environmental disaster in American history. Once industry finally demonstrated that it had the capacity to actually cap a deepwater blowout, the Interior Department issued the first deepwater permit within 11 days. In the last month, the Department has issued 7 deepwater permits, exceeding the monthly average from 2009, before the BP spill.

And the majority is not supporting an energy policy that would move us toward renewable energy. In reality, the majority's plan could be called "Oil Above All." Thus far, this committee has held 7

hearings on oil and none on renewable energy. This comes on the heels of the Bush-Cheney “renewable energy moratorium” on public land that led to zero permits for solar development and 4 permits for wind projects being issued over *8 years*.

Yesterday, President Obama laid out a path to reduce our foreign oil imports by a third and lay the foundation for a transition to clean energy. In the short term, we should release oil from the Strategic Petroleum Reserve, which has a proven record of lowering prices and helping consumers and is the one weapon we possess against OPEC. We should increase, not cut, funding for the Commodity Futures Trading Commission so that it can implement the law and rein in excessive speculation in energy markets, which will also help consumers.

In imaginary land it may be possible to base our nation's energy policies on bumper-sticker slogans. In the real world, we need responsible energy policies that respond to the great economic, national security, and environmental threats that a one-dimensional "Oil Above All" strategy has given us. It is time to move away from an imagined drilling utopia, and work cooperatively on real solutions to the real energy problems we face.