



Opening Statement
Chairman Mike Coffman
Committee on Small Business Subcommittee on Investigations, Oversight and Regulations
Hearing Entitled: Powering Down: Are Government Regulations Impeding Small Energy
Producers and Harming Energy Security?
March 8, 2012

The Hearing is called to order.

I appreciate the witnesses for appearing today.

The point of today's hearing is to hear directly from small oil and gas producers regarding the barriers the federal government has enacted, and the frustrations they face, in producing oil and gas on federal lands.

I doubt that there is a member on this committee who doesn't receive a call from a constituent every day regarding high energy prices, the poor state of the economy, the lack of jobs, or the federal government's enormously high budget deficit.

President Obama claims that the solutions to these problems are complex and that there are no easy answers or solutions.

However, as I believe we will hear today, there are things the government can do to address all of these concerns, in part by producing more energy at home.

- Expanding domestic energy production will bring more oil and gas to market, helping ease rising gas prices;
- Expanding domestic energy production will create jobs, both with the firms drilling for oil and gas, and those that support these activities;
- Finally, expanding domestic energy production will bring new revenue to the federal government without raising taxes, through the payments of rents and royalties on lands leased and those put into production.

The ability to produce more domestic energy exists. Unfortunately, what has not existed is the will on the part of this Administration to utilize the oil and natural gas we have.

In the past few years, the number of new federal lands available for oil and gas production has dropped significantly, along with approval of permits to drill. While the Administration likes to claim oil production has increased under its watch, the U.S. Energy

Information Agency has found that overall production is below previous estimates and are projected to fall further.

Addressing these declines has been a priority of this Congress, and a number of legislative proposals have been introduced and voted out of the House to open-up America's energy potential and expand business opportunities for small firms. Unfortunately, these are still awaiting action by the Senate.

At the same time, an oil or gas lease is worthless unless a company can obtain a permit to drill. This is why I have introduced legislation that would require BLM to annually inventory and report the 200 non-producing lands with permits to drill pending that have the highest potential for oil and gas development and requires the BLM to issue these permits within 180 days of issuing its report.

I'll agree with the President that expanding domestic production of energy is no panacea for all of our nation's ills, but it offers part of the solution. And a solution that releases the entrepreneurial spirit of small business is preferable to policies that impose excessive regulations and new taxes on the very small firms we all look to help rescue us from our current predicament.

I now yield to my colleague, Mr. Schrader for his opening statement.