



**Opening Statement of Chairman Scott Tipton  
Subcommittee on Agriculture, Energy and Trade  
Hearing: The New Domestic Energy Paradigm, Potential Benefits for Small Businesses and  
the Economy  
June 20, 2013**

The hearing is called to order.

I would like to thank the witnesses for appearing at today's hearing to discuss the job creation potential of domestic oil and natural gas development.

Until very recently, many geologists, energy market participants and policymakers assumed that the overall rate of domestic oil and natural gas production had peaked and entered into a permanent period of decline -- a scenario that could result in higher energy prices, an increase in oil and gas imports, and the imposition of measures intended to reduce demand for petroleum as a fuel source.

However, the advent of new technologies and changes to market fundamentals has led to a paradigm shift in the energy outlook of the United States. Where there was once energy scarcity, there is now a potential energy bounty.

According to a number of recent studies of United States oil and natural gas resources, America now has the potential to supplant a significant portion of foreign oil imports with domestically produced oil, and it has the ability to produce enough natural gas to satisfy domestic demand and offer natural gas export opportunities.

As impressive as these gains are, this Committee is most interested in the potential economic and job creation benefits of domestic oil and natural gas production as they may accrue to small businesses.

Overall, 88 percent of domestic oil and natural gas producers are classified by the United States Small Business Administration as small businesses. If America's oil and gas potential is fully realized, oil and gas producers could create up to 600,000 new jobs by the year 2020.

In addition to jobs created directly by producers, more than 900,000 indirect jobs could be created at supplier firms supporting oil and gas development. This number would be in addition to more than 1.4 million induced jobs created as the economic effects of oil and gas development flow through the broader economy.

These potential benefits to the United States, small businesses and rural communities are extraordinary. At the same time, while domestic oil and natural gas production has many benefits, it is not a silver bullet solution to all of our nation's energy, economic and environmental needs.

Rather, it is an element to an “all-of-the-above” energy strategy that will promote a viable, long-term energy independence for our country.

I look forward to hearing the witnesses’ views on these issues and now yield to Ranking Member Schrader for his opening statement.