



**Opening Statement
Chairman Scott Tipton
Subcommittee on Agriculture, Energy and Trade
House Committee on Small Business
“Are Excessive Energy Regulations and policies Limiting Energy Independence, Killing Jobs and Increasing
Prices for Consumers?”
September 19, 2011**

Good morning everyone and thank you for joining us. The hearing will now come to order.

I want to especially thank each of our witnesses for being with us today and taking time out of their busy schedules. We look forward to your testimony. Also, joining us today is the Ranking Member of the Subcommittee, Representative Mark Critz of Pennsylvania.

Although Mark and I come from different parts of the country, and are members of different parties, I know that he shares my passion for removing hurdles that limit the growth and prosperity of America’s entrepreneurs, and both of our districts have vast amounts of natural resources that our country uses to produce energy. Mark, I really appreciate you making the trip out here today.

The purpose of today’s hearings is to examine excessive federal regulations and policies that are harming energy production, killing jobs, and increasing costs on all small businesses and consumers.

The United States has been blessed with abundant energy resources and the technological capabilities to utilize these resources in an environmentally sound manner. Our growing dependence on foreign sources of energy, combined with intolerably high unemployment, demands that policymakers adopt an “all-of-the-above” approach to harness our domestic energy potential and create hundreds of thousands of desperately needed jobs.

Just last week, the House Resources Water and Power Subcommittee held a hearing on legislation I have introduced, the *Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act*, that I believe is just one part of an “all-of-the-above” solution.

The people and small businesses of the 3rd Congressional District need jobs and affordable energy now. Last Tuesday, the U.S. Bureau of Economic Analysis released a report ranking the unemployment situation in Grand Junction 362 out of the 366 and among the worst for U.S. metropolitan areas in 2010.

Unfortunately, there seems to be a disconnect between what’s going on in Washington and on the ground in our communities.

Several witnesses testifying before the committee today will discuss how they could create jobs, if only government agencies would stop standing in the way.

Additionally, business owners need long-term certainty from the government in order to take the risks and make the investments necessary to create new jobs. More needs to be done to provide that certainty, because right now small businesses are scared to hire new employees and investors are sitting on the sidelines.

Congress and President Obama have our roles to play as well and I am sincere in saying that it is important for us to work together on real solutions to our nation’s job and energy challenges.

The President could contribute to this process by coming to terms with his promise to reduce regulatory burdens on small businesses with the onslaught of regulations he and his administration keep proposing. More than 43 major regulations were proposed last year, and another 219 regulations are in the pipeline, each costing more than \$100 million. Additionally, the Administration proposed this year seven new regulations that each would cost the U.S. economy if implemented more than \$1 billion or more annually. Four of these were put forward by the EPA. A recent study showed regulation burdens to the American people cost about \$1.75 trillion annually, with the

costs to U.S. businesses of any size being approximately \$161,000 each year and the costs associated for small businesses for each employee to be an average of \$10,585 annually.

Clearly, in too many instances, these regulations impose onerous burdens and costs on small businesses.

Recently, my Colorado colleague Congressman Corey Gardner asked Assistant Administrator Mathy Stanislaus, whether the EPA the agency's economic analysis appropriately considered the impact of proposed regulations on jobs? His answer: "Not directly."

Unfortunately, this is not the only instance, nor is EPA the only government agency, to have failed to adequately consider the effect of their proposals on small businesses and jobs.

In Western Colorado, a number of small energy firms, including renewable energy firms, have reported that the Bureau of Land Management is implementing new regulatory burdens and barriers to producing energy on federal lands. In a chart that I have submitted for the record from the BLM website, you will see that the number of new leases issued in Colorado in 2009 and 2010 were the lowest totals in a 26 year analysis. The same trend can be seen nationally.

Experts in the industry tell me that this permitting process is slow, costly and burdensome, often taking several years to complete. Certain policies and procedures have held up development 7-8 months on an 11 month lease. This defies common sense; you wouldn't lease a car for 11 months that you could only drive for the last three.

I would now also like to point out an article I submitted for the record from the Durango Herald that featured unemployed oil and gas workers who used to earn upwards of \$80,000 and were laid off as a result of new government regulations and policies. These workers ate in our local restaurants, stayed in our local hotels, purchased pickup trucks at our local dealerships, and most importantly provided good paying jobs for our local residents.

In May of this year Karen Kerrigan, president and CEO of the Small Business & Entrepreneur Council, testified before a House subcommittee that "Nearly three-quarters (74 percent) of small-business owners report that hard times at the pump are affecting them and their customers." Karen also stated that high gas prices are "making it very challenging for small businesses to compete, to grow and even survive in what remains a difficult economic environment."

It is critical that we bring an economic conscience to the debate about environmental regulation. Environmental regulation does not have to kill jobs and raise energy costs for the American people. We all care about the environmental impact of energy exploration and production, but it is essential, especially during difficult economic times, that we work toward practical solutions to protecting our environment while decreasing our dependence on foreign sources of energy. The federal government should foster an environment for increasing access to America's energy sources that promotes an all-of-the-above responsible and common sense approach.

We are fortunate to have appearing before the Committee witnesses who will testify to the real world examples of how onerous and duplicative regulation are harming opportunities for small businesses and local communities.

The issues they will discuss are very important to small businesses. I would like to remind my colleagues that small businesses create 4 out of 5 new jobs in the economy. They are the engine for innovation and job creation.

Again, I want to thank each of you for being here with us today. I now yield to Ranking Member Critz for his opening statement.