



Resourceful Information

NATURAL RESOURCES COMMITTEE

CHAIRMAN DOC HASTINGS

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Spoiler Alert: Increased American Energy Production Helps Ease High Gasoline Prices

According to the [U.S. Energy Information Administration](#), gasoline prices will average \$3.63 a gallon this summer, six cents lower from last year's summer driving season. One of the reasons behind this drop in gasoline prices is the recent increase in U.S. oil production – specifically on state and private lands in places like North Dakota. Energy experts are confirming what Republicans already know, that U.S. energy production helps lower prices while also creating new jobs and growing our economy.

- **“A confluence of factors is contributing to the good news for drivers, starting with a growing supply of crude oil.** ‘We’re at multiyear highs in supply,’ said Brian Milne, a U.S.-based energy editor at Schneider Electric, a French energy management company. The drilling boom in shale plays, including in South Texas’ Eagle Ford Shale and North Dakota’s Bakken Shale, is pumping up the nation’s supply of oil, Milne said. ‘It’s big, and it’s a huge reason why prices have been under pressure,’ he said.” ([Fuel Fix](#), 4/13/13)
- “Experts are saying American drivers, including Californians, can expect some of the lowest summer gasoline prices they have seen in three years...’One reason is the price of crude oil,’ said Tacred Lidderdale, a senior economist at the Energy Information Administration. **‘We expect crude prices to be lower than last year. One of the big reasons is growth in production, particularly in the U.S. and Canada,’** Lidderdale said. ([Los Angeles Times](#), 4/11/2013)
- “The expected drop this summer...also **reflects a continuing moderation in the global cost of crude, a trend driven by growth in oil production from hydraulic fracturing of shale deposits in the U.S.,** analysts say... ‘Motorists are beginning to see some benefits arising from increased domestic oil production, but gas prices remain historically very high. Most motorists would say that prices have not fallen nearly as fast as necessary to reduce pain at the pump,’ said Michael Green, a spokesman for the group, formerly known as the American Automobile Association.” ([Wall Street Journal](#), 4/12/13)

While any drop in gasoline prices will provide welcome relief for families and small businesses, prices are still well above what they were (\$1.89) when President Obama took office. If the Obama Administration wanted to help further lower gasoline prices, it would stop [blocking](#) increased energy production on federal lands and waters. As recently as

President Obama's State of the Union Address, [he touted](#) that U.S. oil production has been at its highest levels in years. But he's only telling the American people half of the truth. As the [Congressional Research Service](#) has noted multiple times, the recent increase in U.S. oil and natural gas production can all be attributed to state and private lands – not federal. So while the Obama Administration would like to take credit for this increase, it's happening in spite of President Obama's policies.

The Natural Resources Committee will further examine the difference in energy production and permitting on federal lands versus state and private lands at an [oversight hearing](#) this Wednesday. Increased energy production on state and private lands has created multiple benefits – lower gasoline prices, new job creation, and stronger economies – and there's no reason these same benefits shouldn't be realized from increased production on federal lands.

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