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U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

Opening Statement of
Chairman Doug Lamborn
Subcommittee on Energy and Mineral Resources
On Wednesday, June 18, 2014

1334 Longworth House Office Building Subcommittee Oversight Hearing on
"American Energy Jobs: Opportunities for States and Localities"

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"I'd like to thank our witnesses for being with us today. Today we are meeting to discuss 'American Energy Jobs: Opportunities for States and Localities.' This hearing is another in our ongoing series examining the benefits of domestic energy, oil and natural gas development.

Today, we will be hearing testimony from community leaders on the benefits revenues from oil and natural gas production brings to states, local governments and communities. It is no secret that the recent increase in domestic energy production has resulted in tremendous benefits in energy security, job creation, economic development and revenue growth. Along with increased federal revenue, energy production on federal, state, and private land has allowed states and localities to increase their tax base and as a result, citizens in regions with robust energy development sectors benefit tremendously from energy revenue to their communities. These benefits include increased revenue for emergency services, infrastructure projects, resources for senior citizens, greater funding for schools and colleges, and increased community services.

The boom in production in the Bakken, Haynesville, and Marcellus shales has resulted in communities from coast to coast seeing revenue benefits from energy production. As a result, states and localities that relied largely on taxes as major sources of revenue are now seeing the benefits of energy revenues at a local level.

A recent IHS report showed that nationwide, in the 2012-2013 school year, schools saved 21.3% on natural gas and 9.3% on electricity due to an abundant supply of cheap natural gas. This equates to \$1.2 billion in savings that can then be used to retain teachers, purchase school supplies for students, and educate children. Along with energy savings, schools are also benefitting from local energy revenues. For example, in fiscal year 2014, the Utah School and Institutional Trust Lands Administration was able to distribute \$37.5 million dollars to Utah public schools – with every dollar of coming from oil and gas money. This money has funded tutoring programs, employed teachers, funded music and arts programs, and upgraded classroom technology.

Schools are not the only beneficiary of energy revenue. State and local governments have saved 9.5% on electricity and 21.6% on natural gas –or \$720 million dollars. This allows local governments to keep people employed, provide government services, upgrade local government technology, and maintain and build infrastructure. Perhaps one of the best examples of this is Alaska, where energy development revenue is responsible for nearly half of all state revenue. Over 10,000 positions in the state government are funded by revenue from the state’s oil and gas industry – and this includes 80% of public safety jobs.

The state also uses these funds to provide a variety of community services, including a senior center, playgrounds, vocational programs, and both K through 12 and higher education.

Even states that are relatively new to the energy development world are seeing benefits this production brings to their communities. Last year shale impact fees raised \$225 million in revenue for Pennsylvania– which was then distributed to local governments and directed to funding environmental programs. 60% of all impact fees raised remains in the towns and counties where the production occurs. This has been used for road and bridge projects, reserve funds for future projects, maintain, rather than raise, tax rates, and purchase health care equipment.

We will see today that a robust oil and natural gas industry is critical to maintaining infrastructure, funding public education, and providing community services. Obstructionist policies that create bureaucratic hurdles to production deny communities vital funds they are increasingly relying on to improve the quality of life for their citizens.

Again I would like to thank our witnesses for coming to testify before our committee today and I look forward to hearing your testimony.”

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