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

**Opening Statement by**  
**Ranking Member Doc Hastings**  
**On Job Creation and America's OCS Oil and Gas Resources**  
**Before the February 24, 2009**  
**Natural Resources State Perspectives Oversight Hearing**

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TODD YOUNG  
REPUBLICAN CHIEF OF STAFF

Mr. Chairman, today we are to hear from various states on their perspectives on OCS development. Studies have shown that offshore drilling will create substantial economic benefits for the federal government as well as for states. These benefits include job creation, tax revenues and possible revenue sharing.

**Revenue Sharing**

Before the Recess, Congress passed the largest spending bill ever, directing billions of federal dollars to states to avert their budget crises.

Today's hearing will focus on one of the largest sources of federal revenue: oil and gas bonus bids, rents and royalties. In addition, we will focus on one of the best opportunities we have to assist state governments - by sharing OCS revenue like we do with onshore mineral receipts.

A very conservative CRS report estimated that OCS development off California could generate more than \$120 Billion in revenue sharing for the State of California. Money that I am sure the State of California could desperately use. The same report suggested that the Atlantic Ocean could generate more than \$76 billion in shared revenues from what are even more conservative estimates of the resources.

At a time when the federal government is borrowing record sums of money to transfer to the states, it seems reasonable and responsible that we should use the OCS resources available in order to help states balance their own budgets.

Last year, the Democrat Majority passed legislation that locked up 88 percent of our OCS resources and had NO revenue sharing provision for coastal states. Thankfully this legislation died in the Senate and instead Congress passed legislation that ended the decades long ban on OCS development.

A "no revenue sharing" approach is simply not acceptable. Congress needs to establish a fair revenue sharing program for all coastal states, expanding this commonsense policy beyond the several states along the Gulf of Mexico. This must be a priority for the Committee and Congress.

**JOBS**

Second, many of the states testifying before us today have unemployment rates that are higher than the national average. Knowing that OCS development isn't just about energy, it is also about creating new American manufacturing jobs and building the infrastructure to harness this energy, I wonder the extent to which these states have examined the job impacts of expanded oil and gas development and what it would mean to their states.

An American Energy Alliance study published yesterday calculated that opening the OCS would create between tens of thousands and hundreds of thousands of jobs in the states testifying before us today. Over the life of production, it would create over 1.2 million annual jobs across the country.

### **LNG vs Offshore Gas**

Finally Mr. Chairman, I hope today's hearing will address our nation's growing dependence on imported natural gas supplies. Each of the witnesses before us today represents a state where there is either an existing or proposed liquefied natural gas terminal.

From Calais, Maine... to Long Beach, California... terminals to import natural gas are popping up all across our coasts. Everyone believes that America has become too dependent on foreign energy. I hope that the witnesses before us will explain their views on which is preferable: building LNG terminals to make their states dependent on foreign natural gas OR the responsible development of America's own natural gas resources in the OCS that will create new job and bring revenue to their states?

### **CLOSING**

In closing, this issue is of major national significance. America is too dependent on foreign nations for our energy supplies. We can and should determine the most responsible way to develop our OCS resources.

Mr. Chairman, I believe that we can free America from our dependence on foreign oil, free America from imported foreign natural gas, and invigorate America's economy, by harnessing the resources of America's OCS to create more energy with the skill and knowledge of the American worker.

I look forward to hearing from today's witnesses.

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