

U.S. Senator Mark Begich
Oversight Hearing on "ANWR: Jobs, Energy and Deficit Reduction"
September 21, 2011

Thank you, Chairman Hastings, and Ranking Member Markey for the opportunity to speak to you today.

When it comes to energy, the Alaska delegation and most Alaskans stand united. I am proud to appear with my colleagues, Senator Murkowski and Congressman Young.

Today's hearing is focused on a timely topic.

With gasoline prices averaging \$3.65 in the lower 48 states and unemployment around 9 percent, Alaska is here to help. We can offer relief to consumers at the pump, provide well-paying jobs in Alaska and the Lower 48 and help reduce our \$14 trillion deficit.

The oil and gas resources of the coastal plain of the Arctic National Wildlife Refuge are enormous and conveniently located just 65 miles east of the prolific Prudhoe Bay reservoirs and infrastructure.

The latest estimates from the USGS are for up to 10 billion barrels of technically recoverable oil.

Of course, any natural gas found will only help the economics of the proposed Alaska Natural Gas Pipeline, which could also be a huge job creator for our nation.

Over the years, there have been competing estimates of how many jobs in Alaska and in the Lower 48 supply chain that development would create. Needless to say, all of them are at least in the tens of thousands across our nation.

I am proud to co-sponsor Sen. Murkowski's bills that would allow responsible oil and gas development in the Arctic Refuge.

Today's extended reach drilling technology has shrunk drilling pad foot prints dramatically. Well pads on the North Slope from the 1970s that covered 65 acres now take up less than 10. Drilling cuttings and muds are now disposed of by injection wells.

While development always will have impacts, we can do a good job today of responsibly producing more domestic oil, which promotes both our economic and national security.

I know today's hearing is about ANWR, but I also want to make sure we don't lose sight of the tremendous potential elsewhere in Alaska. That is a potential I believe we're close to realizing.

The USGS estimates 26 billion barrels of oil and more than 100 TCF of natural gas technically recoverable in the Chukchi and Beaufort Seas.

All this means we're looking at a lot of jobs, too.

The University of Alaska's Institute for Social and Economic Research estimates 54,000 jobs created from Alaskans working in the Beaufort and Chukchi Seas, including all the support and manufacturing jobs stretching from Alaska to the Lower 48.

Over the 50-year life of the fields, that means about \$154 billion - billion with a B - in payroll, and \$200 billion to the federal treasury.

Their science crews this summer alone amounted to 400 jobs.

We finally have sustained momentum on exploring these resources. I have every hope that Shell, the first of the leaseholders in the exploration process, will be drilling exploration wells off Alaska's Arctic coast for the first time in nearly 20 years.

ConocoPhillips and Statoil are just on their heels with plans for 2013 and 2014.

Shell received approval of their Beaufort Exploration plan a few weeks ago. Just yesterday, Shell received an air permit – a subject I know this committee has worked on – for one of their main drill ships and its support fleet.

Hopefully the Chukchi plan will be approved when the court accepts the Supplemental EIS in October.

Finally, the National Petroleum Reserve – Alaska (NPR-A) – can also play an important role in keeping enough oil in the Trans-Alaska Pipeline to operate economically while development on these other resources proceed.

We've been pushing the administration to solve procedural issues with ConocoPhillips' CD-5 development in the NPRA. We're hopeful we'll see a breakthrough in the next 30 days, with hundreds of direct construction jobs for several years to follow.

Mr. Chairman: Alaska has enormous resources to offer a nation hungry for affordable energy and good-paying jobs. Thank you for this opportunity to detail some of those opportunities.