

**Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Hearing on "The American Energy Initiative: A Focus on the Future
of Energy Technology with an Emphasis on Canadian Oil Sands"
March 20, 2012**

As we continue our American Energy Initiative hearing, today's focus is on one of the most significant energy success stories in recent decades – the emergence of Alberta's oil sands as a major source of North American supply. There are many lessons to be learned from the development of these oil sands that should be applied to American energy policy.

The story of Canada's oil sands is a story of energy innovation. It's a story of scientists and engineers taking a form of unconventional oil once thought too impractical to develop and turning it into a source of 1.7 million barrels per day, with the potential for 3 million barrels per day by the end of the decade.

President Obama talks quite a lot about energy innovation, and has spent billions of taxpayer dollars on all sorts of energy projects that have yet to pan out. There is much to criticize about the President's approach, including his "government knows best" philosophy of Washington picking winners and losers.

But the President's energy policy also suffers from having too narrow a view of energy innovation. He is only interested in developing completely new sources of energy, like advanced biofuels. But innovation is not just about new sources of energy. It is also about breakthroughs that allow us to get more out of existing sources of energy. That is what we have seen with unconventional oil in Alberta and what we could also see in America.

It is worth noting that predictions of declining natural gas production have given way to technological advances unlocking vast domestic supplies. I believe we could accomplish the same thing with oil. But it will only happen if our government allows it to happen, just as Canada's government has.

In other words, Canadian oil sands is not just a story of technological success, it is also a story of policy success. It's a story of a government working with the energy companies that made oil sands production a reality. In contrast, we routinely see our federal agencies treating energy producers as adversaries to be defeated. And the current administration has been especially hostile to conventional and unconventional oil projects here in America.

The people of Canada and America both strongly support responsible development of domestic energy sources. They both understand the benefits of expanding North American supplies and the need to do so with reasonable environmental safeguards. Of course, I might add that both nations also have a vocal minority of anti-energy activists. But the Canadian government does a much better job responding to all voices. Development of Alberta's oil sands is an example of a balanced approach to energy production. That balance is missing in the U.S.

Canada's oil sands success has two components – energy below the ground, and sensible policy above it. America has the first, and now we need to embrace the second.

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