

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Hearing on “21st Century Energy Markets: How the Changing Dynamics of World Energy
Markets Impact our Economy and Energy Security”
March 3, 2015

(As Prepared for Delivery)

Energy markets are changing, and they're changing for the better. America is producing more while using and importing less, and the energy boom is translating into a jobs boom – not just in energy production but also energy infrastructure and manufacturing.

The combination of increased domestic oil supplies and decreased demand not only strengthens our energy security, but also presents new opportunities for energy diplomacy. The days of energy-exporting aggressors like Russia exerting uncontested geopolitical influence may be numbered now that America is emerging as an energy superpower.

While the overall effects of our domestic energy abundance are overwhelmingly positive, they do create some challenges and complications when viewed under the lens of our existing federal energy policy. For example, the recent drop in oil prices has been great news for folks in Michigan and across the country who are finally getting a break at the gas pump after several years of prices above three bucks a gallon. But at the same time, current prices pose a challenge for producers, their employees, and the communities in which they live. In fact, some energy workers have already lost their jobs.

Couple these changes with a new global petroleum landscape of enduring complexity and emerging volatility, and it only further reinforces the point that the time to examine these issues is now. Clearly, the changes in energy markets affect different parties in different ways, and Congress needs to be aware of all of the impacts before considering any modifications to energy policy.

That is why we took a very careful and deliberative approach on the issue of natural gas exports. For more than a year before we proposed legislation to expedite LNG export approvals, we thoroughly studied the potential impacts on natural gas producers and on users like manufacturers and consumers. We acted only after listening to all interested parties and concluding that LNG exports would be beneficial for the economy and a net jobs creator.

We also heard from many foreign policy experts and embassy officials about LNG exports and concluded that they promised significant geopolitical benefits. And I would note that with Russia once again threatening to cut off Ukrainian natural gas supplies, I believe that enactment of our LNG bill can't come soon enough.

When it comes to revisiting the 40-year old restrictions on oil exports, we will take the same deliberative approach. We recognize that the export of oil and other liquid hydrocarbons presents different issues than natural gas. That is why we again are undertaking a thorough review and will consider all perspectives – including producers, refiners, and consumers. That is the purpose of today's hearing and also why we are soliciting public comments on changing energy markets. If we choose to change the law on exports of oil and other liquids, it will only happen after an open review of the current policy.

America's energy abundance has greatly changed energy markets and presents a number of new opportunities, and we will carefully consider our approach to all of them.

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