Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Hearing on "The American Energy Initiative: A Focus on Growing Differences for Energy Development on Federal vs. Non-Federal Lands"
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At a time when the country faces a weak economy, 8 percent unemployment, and soaring deficits, Congress owes it to the American people to take a close look at a state whose booming economy is at virtually full employment and is running a budget surplus.

And when a state is accomplishing this by expanding production of domestic oil, then the Energy and Power Subcommittee should also be taking a close look. And that is why we are here today; to learn what North Dakota is doing right, both on economic policy and on energy policy, and what we in Washington can learn from it.

And while we learn more about what is going right in North Dakota, we also need to contrast it with what is going wrong elsewhere. The picture is not nearly as bright in other oil-producing states such as Alaska, where output has been declining over the same span that North Dakota's has been rising. The main difference between Alaska and North Dakota is that Alaska has far more areas that are federally owned and controlled. And the Obama administration has substantially cut back on new energy leasing in these federal lands and offshore areas.

Alaska has been a great source of American oil. Since the 1970s, 16 billion barrels have made their way south on the Trans-Alaska pipeline. That's a lot of domestic oil and a lot of jobs associated with it. But Alaska's largest field, in Prudhoe Bay, is now declining. And despite vast untapped reserves elsewhere in the state as well as offshore, new exploration and drilling there has been greatly curtailed by decisions made in Washington.

And it isn't just Alaska. For example, the Obama administration has cut back on new leasing in the federally-controlled Gulf of Mexico, and has also been slow to issue the necessary permits for previously leased areas. And the red tape facing energy companies operating on federal lands throughout the Inter-Mountain West has kept that region below its potential for energy production and jobs.

In contrast, relatively little land in the energy-rich Bakken formation in North Dakota is federally owned. There, the oil industry has been allowed to partner with private land owners to expand production. In the last decade alone, North Dakota has risen from the 8th largest producing state to the 2nd largest. An estimated 35,000 direct jobs and many more indirect ones are a big part of the reason the state's unemployment rate is around 3% - essentially anyone who wants a job can have one.

In effect, North Dakota gives us a glimpse of what would be possible in many other parts of the country if only the feds took the handcuffs off.

And I might add that gasoline prices are creeping back up to $3.50 a gallon on average, 15 cents higher than this time last month. This should serve as a reminder that increased production of domestic oil can benefit all Americans, even those who don't live in states whose economies can be revitalized by it.

It is also worth noting that the oil industry in North Dakota is regulated by the state government, and the track record for safety and environmental protection is quite good. It's a model for reaping the many benefits from domestic oil production while keeping the risks at a minimum.

The difference between North Dakota and other states has nothing to do with geology and everything to do with policy. The good news is that we can change that policy. I believe that the more we learn, the more we need to allow the North Dakota model to apply in Alaska as well as the rest of the country.

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