

Summary of IER Testimony before Subcommittee on Energy and Power, February 5, 2013

- The U.S. has a vast amount of technically recoverable oil, natural gas, and coal resources
 - Technically recoverable U.S. oil, natural gas, and coal resources can easily supply our energy needs for hundreds of years
- **“Reserves” do not measure resource capability**
 - The term “reserves” only includes resources that have been discovered and are economical to recover *at the current price* with *current technology* on the lands *currently made available* for industry to develop.
 - U.S. oil “reserves” in 1944 were 20 billion barrels but today they are larger even though we found, produced and consumed 167 billion barrels over that time period.
- Hydraulic fracturing and horizontal drilling dramatically increase the amount of oil and gas we can recover.
 - Between 1995 and 2008, the USGS estimate of technically recoverable oil in the Bakken formation **jumped by a factor of 25** due to hydraulic fracturing.
 - Hydraulic fracturing has been used for over 60 years in over one million wells **without a confirmed case of groundwater contamination.**
- The U.S. is now the **largest natural gas producer in the world** and forecasters expect it to be the largest oil producer by 2017
 - Shale oil production has **increased by 400 percent over the past ten years.**
 - Shale gas production increased by over 300 percent from 2007 to 2010
- U.S. oil shale technically recoverable resources are nearly four times the amount of Saudi Arabia’s proven oil reserves; oil shale is a sedimentary rock that contains kerogen, an oil and gas bearing organic
- Federal land leases have declined continuously since the 1980’s, putting extensive limits on our oil, natural gas, and coal resources
 - The U.S. is the **only developed country in the world that has banned access to its own offshore energy sources.**
- 96 percent of the increase in oil production between fiscal years 2007 and 2012 came from private and state lands.
 - It takes over 300 days to process a permit to drill on federal lands onshore. It takes less than 30 days to process a permit for **private and** state lands.
- **Opening federal lands to oil and gas leasing would add \$14.4 trillion in economic activity** and \$3.8 trillion in federal, state and local tax revenues over the next 30 years, according to a forthcoming study commissioned by IER.
 - 552,000 jobs annually over the next seven years, 1.9 million jobs per year in the long-run.
- Over the past 50 years, our use of coal, oil, and natural gas resources has dramatically increased and air quality improved dramatically.
- Emissions from the six criteria pollutants under the Clean Air Act have decreased 68 percent since 1970.
 - The Utility MACT rule would add \$21 billion per year in compliance costs on businesses, destroy 183,000 jobs per year, increase electricity prices by 10-20%