

The Honorable Devin Nunes
U.S. Representative (CA-21)
1013 LHOB
Washington, DC 20515
202-225-2523

“Hearing on the American Energy Initiative”
June 3, 2011

Mr. Chairman, Members of the Committee, thank you for inviting me to testify today.

Our nation has been blessed with a great abundance of natural resources. Consider these astounding facts. The Coastal Plain of ANWR potentially contains 10 billion barrels of recoverable oil; the Outer Continental Shelf (OCS) is estimated to hold nearly 85 billion barrels of oil and 420 trillion cubic feet of natural gas; and over two trillion barrels of oil are held in oil shale deposits – more than are contained in all of the countries in the Middle East combined. Additionally, our nation has nearly 250 billion tons of recoverable coal reserves, which is the estimated equivalent of 800 billion barrels of oil and constitutes more than three times Saudi Arabia’s proven oil reserves of 260 billion barrels.

Unbelievably, our government has chosen not to utilize these resources fully, despite repeated promises to achieve “energy independence” by Democrat and Republican Administrations and Congresses alike. But continued inaction is unacceptable with stubbornly high unemployment, lackluster economic growth, widespread unrest in the Middle East, and the prospect of escalating gas prices punishing American families. Nothing done by our government in the past four decades has actually helped to achieve the goal of energy independence; or for that matter, kept energy prices affordable for American families and businesses. The reverse is true; we are more dependent on foreign oil today than ever before and far more economically vulnerable than at any point in our nation’s history.

If we summon the political will to enact it, the legislation before the committee today, A Roadmap for America's Energy Future (H.R. 909), would reverse this course, immediately lower energy prices, and finally deliver on all of the unfulfilled promises of recent decades.

The Energy Roadmap is not a radical alternative to current energy policy. That is, while we can all agree that we need a comprehensive approach, this approach must be market-based and gradual, if we are to achieve true energy independence. I predict that any other approach will ultimately be rejected by the American people.

The Energy Roadmap would first lift restrictions on the development and extraction of resources in ANWR and the OCS. Removing these restrictions could produce up to 1 million barrels of oil per day from ANWR and leasing all federal waters in the lower 48 would provide another 900,000 barrels per day of oil and 1.073 trillion cubic feet of gas per year. This would create from 1.45 million to nearly 2 million jobs. Likewise, removing restrictions on the development of our oil shale resources could eventually result in the production of 10 million barrels of oil per day and create 100,000 new jobs.

The Energy Roadmap recognizes that dependence on any one fuel source is dangerous and short-sighted. It also recognizes that the American people have made it clear that they do see merit in the use of federal resources to develop and transition to alternative energy sources and to reduce greenhouse gas emissions when economically and technologically feasible.

The *status quo* does not provide adequate support to the development of alternative energy. It is not necessarily a question of resources as much as it is a question of the appropriate structure to deliver support for the development of renewable energy. For example, while many renewable energy companies support the current production tax credit, they are frustrated with its lack of predictability and that it can get caught up in the legislative process and lapse.

Accordingly, the Energy Roadmap would provide the financial resources and structure necessary to transition our economy to renewable and advanced energy alternatives. It would do this by depositing the new federal lease and royalty revenues – estimated to be \$500 billion over the next 30 years – into a renewable energy trust fund. Those dollars would then be made available to renewable energy producers through a reverse auction. This market-based mechanism would ensure that the cheapest and most efficient technology thrives while simultaneously opening the alternative energy market to greater innovation and competition.

Importantly, the Energy Roadmap would not end the production tax credit. Rather, it would give alternative energy entrepreneurs the ability to choose to receive the production tax credit or to forego it in order to receive support through the reverse auction. Moreover, the support provided under the Energy Roadmap for the development of renewable energy would not be subject to the vagaries of the federal budget or legislative process. Put simply, it provides the best mechanism to develop, produce, and transition to alternative energy.

Another component of the Energy Roadmap would establish a mandate to site 200 nuclear reactors by 2040. The bill would provide new, streamlined regulations and a system to manage waste that will drive private sector investments in these facilities, which today are stalled as a result of red tape, lawsuits, and parochial concerns. Nuclear power is essential to achieving an abundant and affordable supply of electricity to fuel our nation's economy and we can no longer afford to ignore its benefits.

The Energy Roadmap would also enhance our national security by removing barriers to expanding the uses of our nation's secure coal supplies to fill the tanks of American military vehicles and jets. In fact, the bill's near-term goal is to produce at least 300,000 barrels of liquid

transportation fuels per day by 2020 using Coal-to-Liquid (CTL) technology. Such a supply would equal the amount of fuel consumed daily by the U.S. military for domestic operations.

The American people are looking to us for leadership. They know intuitively that we are running out of time and they are worried about the futures of our country and their children. They have given us the opportunity to offer solutions to this and other big problems. My fellow colleagues, it is time for us to act. Thank you for the opportunity to testify on one of the most important issues of our time.