

**Opening Statement of the Honorable Ed Royce (R-CA), Chairman  
House Foreign Affairs Committee  
Hearing on “The Geopolitical Potential of the U.S. Energy Boom”  
March 26, 2014**

(As Prepared for Delivery)

This hearing will come to order.

Simply put, increasing U.S. energy production would boost both our economic and national security. Reducing our reliance on energy imports from the OPEC cartel would make the U.S. less vulnerable to political and security-related disruptions of our energy supply. And increasing our energy exports would advance our geopolitical interests, including by undermining the coercive leverage of Russia and others.

Indeed, Russia’s annexation of the Crimean Peninsula was made easier by its energy grip over Ukraine. Russia’s state-controlled gas company, Gazprom, threatened to cut off supplies to Ukraine earlier this month, as it did in 2006 and 2009. Gazprom is now threatening to double the price Ukraine pays for natural gas, which could cripple the country’s already weak economy, which we are trying to help.

America’s newly developing energy supplies could make a difference, sapping President Putin’s strength, while bolstering Ukraine and many other European countries. Over the past three years, just seven of the applications to export natural gas have been approved by the DOE, while 23 are still pending. This is government at a glacial pace. But while the United States recently became the world’s largest *producer* of natural gas, Russia is still the biggest *exporter*. That is because while Putin is freely selling oil and gas freely around the world, we impose major impediments to exporting our energy.

That is a lost opportunity. General Martin Dempsey, Chairman of the Joint Chiefs of Staff, got it right earlier this month when he told our colleagues on the Appropriations Committee:

*“An energy independent [U.S.] and net exporter of energy as a nation has the potential to change the security environment around the world—notably in Europe and in the Middle East. And so, as we look at our strategies for the future, I think we’ve got to pay more and particular attention to energy as an instrument of national power.”*

Recent innovations in energy exploration mean that U.S. production of natural gas is projected to rise 44 percent by 2040. This increased energy production has boosted manufacturing, creating thousands of American jobs.

But instead of exporting natural gas, companies are forced to flare the glut created by this bureaucracy. President Obama could move quickly to remove the obstacles placed on American energy exports.

Since the President has chosen not to use his authority to permit natural gas exports, Congress can do the job for him by passing legislation to increase the number of countries that would receive accelerated approval of natural gas exports. The Domestic Prosperity and Global Freedom Act, in the Energy and Commerce Committee, would extend expedited approval of natural gas exports to all 159 World Trade Organization countries.

The President should also stop blocking the long-delayed Keystone XL pipeline, which would create an estimated 20,000 jobs and enhance our energy security in partnership with Canada, one of our closest and most reliable allies. This is an opportunity not to be missed: an opportunity to reduce our vulnerability to political decisions and events in unfriendly and unstable countries. Yet Secretary Kerry is conducting yet *another* review, further delaying Keystone.

We should end our self-imposed sanctions on energy exports. America leads the world with its dynamic and innovative energy sector. Let's allow it to benefit the U.S. economy and our security interests worldwide.

I will now turn to the Ranking Member for his statement.