

Today, the subcommittee will examine opportunities to promote oil and gas development in the State of Alaska. Alaska's North Slope contains some of the nation's most abundant resources of oil and natural gas, including two of the nation's highest producing oil fields. This region has the capacity to provide the State of Alaska, as well as the lower 48 States, with affordable, reliable energy for years to come. Unfortunately, the U.S. continues to rely on oil sourced from foreign nations to fill its refineries, while much of Alaska's North Slope remains untapped.

The oil and gas industry in Alaska serves as a source of employment, revenue and affordable energy for local communities throughout the State. In fact, roughly one-third of the jobs in the State are supported by the oil and gas industry. Unfortunately, decreased rates of production, low oil prices, and overregulation have negatively impacted the industry and by extension, the Alaskan economy.

Under the Obama Administration, millions of acres in the North Slope were made off limits to oil and gas development. This egregious federal overreach, coupled with burdensome and costly permitting processes, have constrained exploration and production in this resource-rich region.

The National Petroleum Reserve-Alaska, or NPR-A, in the Northwestern corner of the State, was set aside for oil and gas development by the Federal Government in the 1920s. Industry has recently announced discoveries and promising new projects within the NPR-A, indicating that there are significant untapped resources within the Reserve. However, the Obama Administration's 2013 management plan made half of the Reserve's 22 million acres unavailable to leasing, precluding the development of some 350 million barrels of oil and 45 trillion cubic feet of gas. Where development is allowed, companies operating in the NPR-A continuously encounter costly and unnecessary permitting delays on new projects. Each month that new projects are delayed means lost revenue, taxes, and jobs for the people of Alaska.

The policies of the previous Administration have not only negatively impacted the energy economy, but have resulted in avoidable infrastructure challenges. Needlessly restricting responsible new development has resulted in less production, forcing the TAPS pipeline to operate in conditions it was not designed to handle. Although the pipeline operators have responded to these challenges and have kept the oil flowing, these challenges will remain a threat to this critical piece of energy infrastructure until a more sustainable level of throughput is achieved.

In the State's Northeast corner, the Arctic National Wildlife Refuge, or ANWR, is also known to contain considerable oil and gas resources. When Congress established the Refuge in 1980, it recognized the potential for oil and gas development in the Coastal Plain region, or 10-02 ("ten-oh-two") area. This region, which spans just 1.57 million acres of the 19 million-acre Refuge, was specifically set aside by Congress for an assessment of its recoverable resources. The Reagan Administration noted the region's capacity for robust production and recommended full energy development of the 1002 area. While this area contains ample oil and gas resources, energy development is currently prohibited and only Congress can authorize oil and gas development activity.

Energy development in the State of Alaska is a key component of achieving American energy independence. Enabling new opportunities for exploration and development, especially in the NPR-A and in ANWR, will create thousands of good jobs, generate billions in revenue for the State of Alaska and the Federal Government, and bring us closer to achieving energy independence.

Today, we will hear from witnesses representing the Alaskan Native community, industry operators in the North Slope and the Alaskan labor force. These witnesses will provide testimony reflecting on the benefits the oil and gas industry provides Alaskan Native communities, while also balancing the need for reasonable environmental and species protections. We will also hear about current projects and opportunities for further development in the North Slope, as well as regulatory obstacles imposed by the Federal Government. Finally, we will discuss the importance of robust oil and gas production has for the Alaskan labor force and how reduced industry activity impacts jobs in multiple sectors of the State's economy.