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Natural Resources Oversight and Investigation hearing on “Misuse of Taxpayer Dollars and
Corporate Welfare in the Oil and Gas Industry”

May 19, 2021

Statement and Questions from Congressman Steve Cohen

Good afternoon, Chairman Grijalva and Ranking Member Westerman.

Thank you for holding this hearing to address some of the issues arising from using public resources for the drilling of oil and natural gas, whether in the form of drilling on public lands or tax breaks.

I appreciate the testimony of our witnesses today. Particularly, Ms. Zachary’s testimony which corrects the record on some of the allegations that have been made about this administration being responsible for shortages resulting in rising gas prices.

In the testimony this morning, we heard that President Biden’s moratorium on issuing new oil and gas drilling permits on public land will have zero effect on the amount of oil and gas drilled on public land this year. It typically takes eight years from the date of the lease to oil and gas production. Eight years. This does not affect the cost of oil and gas today.

The truth of the matter is, while gas prices are around \$2.94 per gallon nationally, this is the same price that gas was in May 2019 – the summer before the pandemic reduced gas consumption and brought gas prices down to their lowest level since February of 2016.

This year, as the demand for gas has increased as more people are vaccinated and traveling, we’ve also experienced the historic cold front sweep through Texas and the mid-south, shutting down oil and gas production wells, which limited fossil fuels during the coldest months of the year.

And, on May 7, the Colonial Pipeline was shut down due to a cyberattack, which cut off the distribution of gasoline across the south and mid-Atlantic, causing many gas stations to run dry. The pipeline finally resumed full operation on Friday, but yesterday experienced network issues which prevented shippers from planning upcoming shipments of fuel.

To say that gas prices are up due to President Biden's policies ignores the reality of what truly drives gas prices.

Again, I thank the Chairman and Ranking Member for this hearing and the opportunity to learn more about oil and gas production in the United States.