

**Opening Statement of
Rep. Paul D. Tonko
Subcommittee on Energy and Environment
Committee on Science, Space, and Technology**

Hearing on:

***Supporting American Jobs and the Economy Through Expanded Energy
Production: Challenges and Opportunities of Unconventional Resources
Technology***

May 10, 2012

Today's hearing is focused on another unconventional fossil resource that we have heard about many times in past decades. Every time oil prices have spiked or that we have become concerned about a major disruption in oil supplies, oil shale gets a new look. Why we continue to use public funds to pursue this energy source is truly a subject for research. The oil companies and the federal government have poured millions of dollars into research, demonstration projects, and subsidies to find an economically viable way to develop this resource. Yet it is still years, if not decades away from being economically, technologically, and environmentally viable.

Oil shale should not be confused with shale oil. Shale oil is being commercially produced along with shale gas in various places around the country. Through application of conventional fracturing processes, oil is released from shale formations and pumped to the surface. Oil shale, on the other hand, is essentially a rock that must be heated at extremely high temperatures for long periods of time before the hydrocarbons within it are released. The magnitude and severity of the impacts on land, water, and other natural resources required to turn rock into oil are only part of the reasons that these resources have never been commercially viable. They should serve as our cue to look beyond oil.

I have listened as many of my Republican colleagues questioned the wisdom and need for public investments in renewable energy resources either through support of research or through tax incentives. But when it comes to offering subsidies to one of the wealthiest and most profitable industries in the world – the oil industry – their generosity knows no bounds. When I look at the potential for oil shale, I can only wonder why we should be throwing more hard-earned taxpayer dollars after bad.

Even though gas prices have recently come down a bit, our constituents still feel the pain at the pump and know that it is just a matter of time before another price spike. The public is tired of seeing an increasing portion of their paycheck go to the most profitable companies in the world, along with outsized portion of their tax dollars in the form of tax breaks for the oil and gas industry. Subsidizing oil shale has never lowered gasoline prices or led to our energy independence. I do not believe it ever will. In spite of years of government support for research and development – since the early 1900s – this resource has proven to be much more bust than boom. The high cost of delivering

this energy will inevitably translate into high retail prices for refined products. It is time we took a different path and invested in alternative energy sources. The oil industry has the financial resources to pursue this further if they believe it is viable.

As our witness from the Government Accountability Office (GAO) will outline from their investigation, there are things the federal government can do to better understand the range of uncertainties regarding the impacts of oil shale development. Among these, understanding the impacts on water quality and quantity stand out as the biggest concern. The legendary water battles in the West are not about protecting ecosystems, though that is a worthwhile cause. These battles are about economics. There is no greater indicator of a region's economic potential – its ability to sustain human life and industry - than its access to clean water. It is hard for those of us from relatively water-rich states to understand what it means for a region whose annual rainfall can be measured in single digits in a good year. But, for most Westerners, it is a sixth sense.

I happen to be from an area of the country that is blessed with abundant, high quality water resources. Given the current and looming shortages of water in many areas of the west, I cannot imagine why we would consider trading water – a renewable, vital resource for which there is no substitute, for a non-renewable resource that we can only obtain with very costly, highly damaging and destructive methods. Land and water are not – or should not – be treated as disposable goods.

The Interior Department released a draft Programmatic Environmental Impact Statement that was not only appropriately cautious, but reflected the reality of the technological immaturity of the oil shale industry. The Department of Interior is charged with managing the nation's lands for the benefit of all the public in a manner that keeps faith with generations to come. These lands support hunting, fishing, and recreation of all types. They serve as protection for watersheds that recharge groundwater supplies and feed streams and rivers that support agriculture, ranching, power production and countless other businesses. The people engaged in these economic activities in Colorado, Utah, and Wyoming also deserve consideration. A number of groups representing these interests have voiced their concerns about leasing public lands for oil shale development, and about its impact on water resources in particular. I am attaching several of their past communications on this subject to my testimony today.

We should not sacrifice sustainable communities and livelihoods in an attempt to mimic earth's geologic process of converting rock into oil. Can we really ask the public to once again believe that we are going to secure our energy future this way? Perhaps our witnesses this morning can convince me otherwise, but I believe we can make far better investments with public funds by increasing energy efficiency and expanding our use of renewable energy.

I thank our witnesses for being here this morning. I look forward to hearing your testimony.