



**THE SELECT COMMITTEE ON
ENERGY INDEPENDENCE AND GLOBAL WARMING**

**“The Future of Oil”
Opening Statement of Chairman Edward J. Markey (D-Mass.)
June 11, 2008**

When does a daily surprise of higher oil prices become a third energy crisis? That is the question we are reviewing at today’s hearing. I think it is obvious to all Americans – at least those outside the Presidential bubble – that America faces a huge energy problem and it is not going away soon. Since President Bush took office, oil has embarked on one of the greatest price run-ups in history. But unlike the energy spikes of the 1970s and 80s, this energy spike is different. It was not brought on by an oil embargo, nor by a surprise revolution in the Middle East. Instead, this long, painful run-up is the direct result of an Oil President and Republican Congress executing an Oil-centered energy policy that sacrificed fuel efficiency and conservation policies on the altar of drill, drill, drill.

Today we will hear that without fundamental changes oil demand will rise 30 percent worldwide over the next two decades. Where will that additional supply come from? Our Republican friends say, “Go drill in pristine areas like Arctic Refuge and in deep waters off the Outer Continental Coast.” It sounds like a simple answer, but like so many other simple answers, it’s misleading and wrong. The United States sits on less than 2 percent of the world’s oil reserves and we consume one-fourth of the world’s oil. Our own supply, without foreign imports, would last just three years. We simply can not drill our way out of this crisis because we don’t have the reserves.

Who does have the oil to meet this rising demand? The answer is easy: as always, follow the money. Follow the tanker ships of American dollars that we’ve been shipping month after month to the Middle East. According to the International Energy Agency, these OPEC countries would need to ratchet up production by 57 percent over the next two decades to meet projected demand.

Does our President have a problem with this scenario? His visit to Saudi Arabia last month indicates not. In exchange for nothing more than a gentleman’s agreement that Saudi spigots will stay open, the President agreed to provide assistance to Saudi Arabia in developing their nuclear power capability. While American consumers give Saudi Arabia \$135 for each barrel of oil, President Bush is giving the Saudis the priceless, and dangerous, gift of nuclear technology.

Even if we are able to drill every last drop of domestic reserves and prod OPEC into further feeding our addiction, we are left with a much greater problem. Our planet will choke on all that CO₂.

If a frog is placed in boiling water, it will jump out. But if it is placed in cold water that is slowly heated, it will never jump out. The heat has slowly been turned up on the American consumer and now they are being boiled alive. The same could be said for our planet. A fundamental change is needed in the way America uses energy: plug-in hybrid cars that get 100 miles to the gallon; advanced cellulosic biofuels that power the fleet on grasses and crop wastes; public transportation and more livable cities that reduce the necessity for people to drive everywhere.

Today, we will hear that the consensus view is that oil above \$100 per barrel is going to be with us for some time. So we have two choices: 1) continue exporting our wealth overseas, which drives down the value of the dollar, and hope that American consumers can outbid the Chinese and Indians in the world

oil market. Or 2) we can commit to blazing a new path. One that frees our country from the shackles of oil and unleashes the renewable energy revolution that will save the planet and drive our economy in the 21st century. The choice is simple.