DRILLING DOWN: OVERSIGHT OF THE CHALLENGES AND OPPORTUNITIES FACING U.S. ENERGY PRODUCTION

FIELD HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY POLICY, AND REGULATORY AFFAIRS OF THE

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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DRILLING DOWN: OVERSIGHT OF THE CHALLENGES AND OPPORTUNITIES FACING U.S. ENERGY PRODUCTION

Tuesday, April 23, 2024

U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY POLICY, AND REGULATORY AFFAIRS

Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:02 a.m., at The Nature & Retreat Center at Oak Point Park, 5901 Los Rios Boulevard, Plano Texas, Hon. Pat Fallon [Chairman of the Subcommittee] presiding.

Present: Representatives Fallon and Sessions.

Also present: Representatives Weber, Van Duyne, and Self.

Mr. FALLON. This field hearing on the Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs come to order. I want to welcome everyone, particularly our witnesses, thank you for coming. And my colleagues as well. Without objection, the Chair may declare a recess at any time. I recognize myself for the purpose of making an opening statement.

Today's hearing is a unique opportunity to bring the economic energy and regulatory affairs conversations in Washington to the great and free state of Texas. Texas has long been a leader in energy production, helping to provide the world with the affordable, reliable energy that many of us so oftentimes take for granted. From turning a light switch, to the plastics and goods we use daily, the uses of hydrocarbons are the basis in the fossil fuel energy sources, such as petroleum natural gas, are everywhere we look. It is just absolutely imbued into the fabric of our everyday lives.

We have our energy producers and workforce in Texas and across the country to thank for that. Instead of vilifying them, they should be thanked for what they do and what they provide for this great country and the national security implications as well.

In 2019, the United States became a net energy exporter for the first time since the 1950's. This simply does not happen overnight, it was not magic, it was not just good timing. It was because of strong leadership and significant technological innovation. The strong leadership by President Trump slashed the red tape and enabled companies to invest in production and providing them reliability and stability when those investments were made, instead of fighting with arrogant, quite frankly, arrogant self-important government bureaucrats.

Technological innovations, such as those used in the development of hydro or hydraulic fracking and the horizontal drilling helped— I mean, it really changed the game and helped us gain access to resources thought to be unreachable prior to the shale revolution. American leadership and energy helped dramatically reduce global energy prices and brought significant economic prosperity to both the community supplying these resources and the communities across the globe who have experienced improved standards of living. This is no small feat and one that we should take an immense amount of pride in as a country and as a state.

Unfortunately, the Biden Administration and congressional Democrats have sought to vilify the energy industry for contributing to climate change. And they blame hardworking folks, like the ones here in Texas, for their problems. They call us shills. They say that we took this job in Congress to be shills for the energy industry, which is, as I can see Congresswoman Van Duyne laughing, because it is absolutely so ludicrous.

In 2019, the Biden Administration promised to "end fossil fuels" and has since sought to push a green-at-all-costs agenda and policies that are often more expensive and make us more reliant on, of all things, the Chinese supply chains to sustain our way of life. The Administration wants Americans to believe that wind and solar energy can alone support the grid right now. And that is just—listen, I say this quite often—and Congressman Sessions has heard this—I can ride my unicorn to this hearing and visit the mermaids out in the ponds, and it is all going to be paid for by leprechauns, or we can live within the bounds of reality and talk about our energy needs in a realistic way.

In reality, we all know that we will be relying on fossil fuels for many years to come. I think it is—we should take note that last year in the State of the Union address, the President of the United States said that we may need fossil fuels in 10 years. We may need them in 10 years. That is the President of the United States saying that in the State of the Union address.

So, from canceling pipelines to banning liquefied natural gas exports, the Biden Administration believes that caving into the whims of climate activists and billionaire donors will make the world a better place. And, quite frankly, it will not. This could not be further from the truth.

Over the past 100 years—I am sorry, over the past 200 years, with the rise of modern energy production, human life expectancies have risen from 30 to 70 years. And the percentage of global population living and significant poverty, surviving on no less than \$2 a day, has dropped to less than 10 percent. In fact, if you look across all demographics within American society, White, Hispanic, Black, and other ethnic groups, from 1900 to today, life expectancies have doubled.

There is no wealthy country in the world that does not require a significant amount of energy to sustain their way of life. And there is no impoverished country that can improve their standard of living without stable and affordable energy. None of these achievements would be possible without the hardworking men and women within the energy industry. Many of whom work long hours and take on some danger as well and spend years learning and perfecting the skills necessary to meet growing energy needs.

Technical programs across the country such as Coterra's energy partnership with Lackawanna School of Petroleum and Natural Gas saw the need to improve access to skills training within their communities and jumped into action to help fulfill this need. For folks wanting to pursue a career in energy, we need to provide them with the opportunities to do so and do so right now.

Regardless of what the Biden Administration tells you, we have, and will, rely upon fossil fuels well into the future, and we are all going to be better off for it.

I want to thank each of the witnesses for coming today. I look forward to learning more from each of you. Again, God gave us one mouth and two ears. So, we are going to listen and ask some hopefully good questions and learn. And thank you for being here today. Thank you for the opportunity to visit with you all and learn. And without objection, Representative Van Duyne of Texas, Representative Self of Texas, and Representative Weber of Texas are all waived on to the Subcommittee for the purpose of questioning the witnesses at today's field hearing. Without objection, so ordered.

I am pleased to welcome all of our witnesses here today. We have Mr. Tim Tarpley, the President of the Energy Workforce and Technology Council; Mr. Ron, is it, Gusek?

Mr. GUSEK. Gusek.

Mr. FALLON. OK, so it is not that scary. Mr. Ron Gusek, the President of Liberty Energy; and Mr. Bill desRosiers, the manager of External Affairs for Coterra Energy. Thank you all for being here today. We appreciate it. We look forward to hearing your testimony and asking questions.

Pursuant to Committee Rule 9(g), the witnesses will please stand and raise their hand.

Do you solemnly swear to tell the—affirm your testimony will be the truth, the whole truth, and nothing but the truth, so help you God?

Please let the record show that the witnesses answered in the affirmative. You can take your seats. And we appreciate you here with us today and look forward to your testimony. Let me remind the witnesses that we have read your written statements, and they will appear in full in the hearing record. Please limit your oral statements, if you can, to 5 minutes. As a reminder, please press the little button here. And there will be a green light in 4 minutes, there will be a yellow light for a minute, and then red, if you can just wrap it up. This is a field hearing, so we are going to be a little softer on things and time right now. But I now recognize Mr. Tarpley for his opening statement.

STATEMENT OF TIM TARPLEY PRESIDENT ENERGY WORKFORCE AND TECHNOLOGY COUNCIL

Mr. TARPLEY. Chairman Fallon, distinguished Members of the Subcommittee, thank you for inviting me to testify here today. I am here in my capacity as President of the Energy Workforce and Technology Council, which is the National Trade Association for the Energy Services and Technology Sector, representing over 200 companies and employing more than 650,000 energy workers, manufacturers, and innovators throughout the United States, and 350,000 here in Texas.

Our country is blessed with tremendous sources of domestic energy that, if fully utilized, will provide us energy security for generations to come. The United States and the world will be challenged to meet the growing demand for oil and gas in the coming decades, even as new forms of energy come online. The U.S. Energy Information Administration predicts that the worldwide demand for all forms of energy will increase by 50 percent by 2050. AI and data centers are feeling a huge increase in power demand forecasts. There is simply no way to meet this growing need without a tremendous buildout in natural gas power generation.

Unfortunately, instead of taking steps to support the production of more energy here at home, the Biden Administration has used every delay tactic and legal maneuver possible to deny Americans access to these resources. It took Congress passing language in the Inflation Reduction Act to force Interior to restart the lease sales at all, despite the Outer Continental Shelf Lands Act requiring a 5-year leasing plan to have been in place. Even then, the 5-year plan Interior released—over a year late, by the way—includes the lowest number of lease sales in the history of the program.

In 2022, the Gulf of Mexico offshore oil and natural gas industry supported an estimated 372,000 jobs in the United States. According to the Energy Industrial Advisory Partners Report, and a joint NOIA report, in 2022, alone, activity in the Gulf of Mexico contributed approximately \$30.8 billion to the U.S. GDP. Not only do we see the economic benefits of this in the U.S. from this production, but the Gulf boasts approximately half the carbon intensity of other producing regions.

The limits are not just centered to the Gulf of Mexico either. The Administration just removed 13 million acres of the National Petroleum Reserve in Alaska from development.

Additionally, on January 26th of this year, DOE announced that it would pause new approvals for LNG export applications to non-FTA countries. Many of the projects would have ultimately shifted American-produced LNG to Europe, Asia, and other allies that do not have a free trade agreement with the United States.

Shockingly, the Administration has taken this action despite the President's pledge to do the exact opposite in 2022 after the Russian invasion of Ukraine.

Over the past decade, prices at Henry Hub have maintained an average of approximately \$4.10 MMBtu, which is a reduction of over 54 percent compared to the preceding decade. This shows us that the U.S. natural gas market can accommodate the increased demand from new LNG terminals well before their operation begins, with the predictability of long-term contracts and minimizing fluctuations of domestic prices.

I am sure many of you all know here in Texas, in addition to oil and gas, we are known for Blue Bell Ice Cream. They like to say we eat all we can and sell the rest. The same can be said for natural gas. We have enough gas in the United States to provide low cost, low emissions energy for the American people, and we can sell the rest to our friends and allies.

Ironically, the end result of this pause will likely increase overall emissions. According to the EIA, the United States has lowered our emissions since 2005, more than nearly anywhere in the world, primarily by transitioning coal-fired power generation to natural gas. Why would we deny our friends and allies abroad the ability to do the same? We all breathe the same air.

In addition to limiting access to resources, the Administration has taken steps to increase the cost of domestic production of energy. Beginning in 2025, the methane Emissions Reduction Program will implement a tax on the reported prior year tons of methane emissions from oil and natural gas systems that exceed more than 25,000 metric tons of carbon dioxide equivalent gas. This action will likely raise the cost of producing energy in the United States, and I am especially concerned that it could disproportionately impact small producers.

Not only can we increase oil and gas production in the United States by reducing regulatory burdens, but technological advancements are allowing us to produce more oil and gas more efficiently than ever before.

Drilling efficiencies have increased dramatically in the past 10 years. In March of this year, according to Baker Hughes, there were 629 drilling rigs active in the United States. That is down 16 percent from the 732 total rigs around the U.S. during the same time last year.

However, U.S. crude output was higher than ever. What does this mean? It means we are using less resources to produce more energy than ever before. That is good news for everybody.

Energy service companies have perfected EFrac, which involves electrifying the hydraulic fracturing process by recycling excess natural gas, using it to power turbines for fracturing and pumping. This approach has resulted into 25 percent reduction in emissions, and up to 90 percent savings in fuel costs. Technologies like artificial intelligence, internet of things, 3D printing, and big data have all become widely used across the energy industry in the past decade. Automated drilling tools enhance drilling efficiency, improve accuracy, reduce human errors, and are safer to operate. Methane monitoring equipment continues to grow more efficient by the year.

Every day, innovation is leading the charge in American energy production. And we are just getting started. All of these innovations and efficiencies will continue in the coming decades. American's leading the way and meeting the growing global demand and doing so with lower emissions than ever before. We have abundant resources right here under our feet, and American ingenuity continues to thrive. If we make the right policy choices, we can take care of our own energy needs as well as supporting our friends and allies. American families will continue to have access to the most affordable and reliable energy system that the world has ever seen.

Mr. FALLON. Thank you. I now recognize Mr. Gusek for his opening statement.

STATEMENT OF RON GUSEK PRESIDENT LIBERTY ENERGY

Mr. GUSEK. Thank you, Chairman Fallon and distinguished Members of the Subcommittee. I am Ron Gusek, President of Liberty Energy. Liberty is the leading oil field services company that employs over 5,000 people, and offers cutting-edge services and technologies to our partners in oil and natural gas production. While Liberty operates in various regions across the United States, we have a substantial footprint here in the state of Texas. We have offices or facilities in the Houston, Dallas, and San Antonio metro areas. We also have a sizable presence in the Midland-Odessa area, where we are in the process of building a \$50 million, 240-square foot operations center. I would estimate that around half of Liberty's employees regularly work in the state of Texas.

We are proud to say that about 10 percent of total primary energy production in the United States comes from wells fracked by Liberty. Liberty has been a leader in next generation frac technologies that reduce impacts on the environment. Two examples are the quiet frac fleet technology, which makes pumps undetectable above ambient noise at distances of 500 feet, and our leadership in replacing diesel fueled frac fleets with natural gas fueled frac fleets.

In addition to our regular reports and other securities filings, Liberty publishes the "Bettering Human Lives" report, which discusses the profound improvement in human material conditions brought about by hydrocarbon energy and Liberty's contributions to it.

We firmly believe that fossil fuels drive immense benefits for our company, consumers, the American economy, and ultimately the world. We do not apologize for it. Fossil fuels have transformed humanity, lifting billions out of poverty, and more than doubling human life expectancy.

It is popular among some audiences today to suggest that somehow the U.S. and other countries are going to transition away from fossil fuels in the coming decades. That cannot and will not happen. But a willful ignorance of this reality is driving politically motivated attacks on our industry that will impoverish American consumers and ultimately the world.

Over the past several years, climate idealists and their allies in the Biden Administration have launched a whole-of-government attack on energy production, deploying a series of interlocking rulemaking spread across time and agencies to thwart simple legal challenge and maximize their chance of success. Much like the EPA and the Obama Administration's ambitious clean power plan, these agencies also lack the power to enact these regulations. But their hope is there are so many regulations, and that each individually is small enough that they will fly under the radar. This blitz of regulation spans all stages of energy production and use. Some address initial capital formation, seeking to prevent energy companies from gaining access to the capital necessary to produce energy by burdening them with excessive disclosures designed to prevent investment.

Regulations of this sort include the SEC's climate rule, the Department of Labor's ERISA ESG rule, the FAR Council's Greenhouse Gas and Sustainable Government Procurement Rules, and California's pair of unconstitutional and federally preempted climate disclosures laws.

Other regulations seek to limit oil and natural gas production by setting onerous rules that prevent or add cost to exploration, drilling, extraction, and refining, or that limit the distribution of oil and natural gas by adding costs or creating barriers that make it impossible to build pipelines or export terminals. Regulations of this sort include EPA's new methane rule, EPA's waste emissions charge rule, the weaponization of NEPA and FERC to prevent pipeline construction, PHMSA's PIPES Act implementation, and the Department of Energy's January LNG export terminal delay.

Still other regulations target end users and seek to limit the market for oil and natural gas by applying a patchwork of Federal regulations that disfavor the biggest consumers of natural gas and oil: power plants, and internal combustion engines; or by forcing states to adopt rules with similar effects. Regulations of this sort include EPA's new power plant rule; the dozens of interlocking electric vehicle mandate rules promulgated by EPA, the Department of Transportation, and California; EPA's new ambient air quality standards; and EPA's new good neighbor rule. Still others defy NAAQS categorization. The Biden Administration has put out hundreds of regulations filling tens of thousands of pages of the Federal Register that amounts to death for the energy industry by 1,000 cuts. If they stand, these rules will impose severe compliance costs on energy companies, raise the price of energy, and have a remarkably negative impact on human lives. The regulation's attempt to justify their enormous costs by pointing to benefits associated with avoiding climate change. But as I explained in my written statement, the science used to justify these benefits is dubious at best.

Worst still, this cost will be borne for no actual benefit to the climate; as increased costs for domestic energy does not reduce demand, but only serves to drive energy production and industry abroad to countries like Russia and China that will increase global GHG emissions. I look forward to discussing these issues with the Committee.

Mr. FALLON. Thank you. I now recognize Mr. desRosiers.

STATEMENT OF BILL desROSIERS MANAGER OF EXTERNAL AFFAIRS COTERRA ENERGY

Mr. DESROSIERS. Good morning, Chairman Fallon, and esteemed Members of the Committee. I am Bill desRosiers, and I am the Manager of External Affairs for Coterra Energy, and I am honored to address everyone here today. I traveled in from Pennsylvania, and I really appreciate the weather. Coterra Energy is dedicated to responsibly developing oil and natural gas across the country. We have operations in Pennsylvania, Oklahoma, Texas, and New Mexico; primarily focused in the Permian and Anadarko and Marcellus Shale basins.

Today, I would like to discuss our commitment to workforce development, especially our education initiatives focused on the energy sector.

Over the past decade, the landscape of the energy workforce has changed dramatically. Today's energy sector requires individuals with unique blends of technical skill, adaptability, and commitment to sustainability. Take our well site operators, for example. They no longer just perform manual labor but manage complex operations and contribute to our sustainability efforts.

Yes, they are still working with wrenches and valves, but they are also calibrating sophisticated equipment—PLCs, working with PLCs, program logic controllers—and other electronics, and performing various emissions inspections. Most impressively, they are doing this in more and more rural parts of the country while interacting with various departments and agencies across the country.

So, how do we find ourselves these individuals? How do we find this workforce? Coterra has invested in multiple programs, which I will discuss right now. We have three key areas that we focus on: Investing in energy and STEM education initiatives, middle school and high school level; supporting high school career and technology education programs, CTE; and providing significant backing to 2year programs, like Lackawanna's College School of Petroleum and Natural Gas, Pennsylvania College of Technology, and various other programs that offer these 2-year associates of applied science degrees across the country.

The linchpin of our approach, though, is dual enrollment, or concurrent enrollment, depending on which state you are in. That seamlessly bridges CTE education at the high school level with the college programs I just mentioned.

After a decade of investment, we are proud to see that we have employees in the industry who have participated in these programs, and are now educating the next generation of employees through mentorship, internship, and various other opportunities.

I would like to share a few stories to illustrate the impact these initiatives are having. First, let me share about Ben Whitaker, who is now a production foreman at Coterra up in the Marcellus Shale. He is actually the inspiration for much of this program I am discussing.

Ben's journey began at the Scranton Technology Career Center and High School Program. And he went to work after that high school program at a defense contractor in northeast PA. After Federal budget cuts resulted in his layoff, he decided to enroll in the newly formed Lackawanna College School of Petroleum and Natural Gas, hoping more education would be the answer.

During his time at the school, Ben became Coterra's first intern. After completing that program, he came to work for us. First on nights, then days, then worked his way up to lead operator. And now he is one of six foremen running our entire field, which is one of the most prolific fields in the entire country, if not the world. Now, I would like to discuss Zoey Wright—the most crucial story I can share here today. Zoey is currently a high school welding student who is duly enrolled in the School of Petroleum Natural Gas and her high school welding program. After coming to a few of our STEM energy camps and working with our employees, she decided that she wanted to go into the energy workforce. So, as a sophomore in high school, she enrolled in Lackawanna college's School of PNG. She would do high school welding during the day and attend night classes at night. So, before her senior year of high school, she had completed almost a year of that program, the college program. And we decided to take a gamble on her and bring her in as an intern. This is an internship that we typically reserve for second-year college students. And Zoey not only proceeded to do well in the internship, she thrived working under Ben Whitaker, who I just mentioned before.

And our internships are designed as a progressive internship. You start with simple things like parts identification and safety, working side by side with your mentor before transitioning into more of an everyday role. And Zoey actually worked up to being a well tender on these sites, and that is real exciting. She is on track to graduate from high school this May, and she will most likely complete her programming in the next 6 to 9 months. And I do believe she will be traveling to West Virginia this summer to do another internship in the pipeline sector.

I would like to highlight one other thing about Zoey. She is—I am a girl dad, so I got to jump out there and say this—she is knocking down barriers in two separate male-dominated industries, and we are very proud of her for that. But I think she is proving to others that you can do high school career and technology education, you can go to college, and you can thrive in this energy industry that we are discussing today.

I would like to just finish my testimony by recognizing one other initiative in the Permian Basin in southeast, southwest New Mexico. Paden Hagler, he graduated from college with the intention of being an educator, a teacher. But he realized that being a teacher in southern New Mexico is not a sustainable opportunity. So, he went to work in the industry where he learned how to weld, fabricate, and do emissions fact testing. After he saved enough money, he felt comfortable, he went back to teaching where he now leading efforts at a high school career technology program to create an energy pathway program modeled after this Lackawanna college program and some others around the country. So, we are starting to see the successful program work its way across the country, and we are proud to share those details today. Thank you very much.

Mr. FALLON. Thank you, Mr. desRosiers. Zoey, how much would you anticipate she is going to make when she starts?

Mr. DESROSIERS. I would like to start by saying that she is going to acquire an associate's degree in applied science of technology, specifically in petroleum and natural gas. Typically, the graduates out of that program either go into wellsite technology, like I described working for Coterra, or they can go into, say, pipeline specialties, working for Williams or Target Resources. So, depending on that pathway, there might be some change, but we are seeing anywhere from \$70,000 to \$90,000. Mr. FALLON. And how old is Zoey?

Mr. DESROSIERS. Zoey is 18 as of today. And she will graduate this program this fall and command a salary, like I said, somewhere from \$70 to \$90,000. But more impressively, the benefit packages that these companies in the energy industry offer are far and exceed what you can find in other opportunities.

Mr. FALLON. Five to 7 years down the road, how much is she going to be making?

Mr. DESROSIERS. I know of some graduates out of this program who are working in more supervisor managerial positions, commanding salaries of \$120 to \$130,000. So, I believe the opportunity to grow that range out of this program is significant.

Mr. FALLON. I now recognize myself for 5 minutes of questions. I snuck those in.

Mr. Gusek, over the past few years, Liberty Energy has released a unique version of the ESG report, which highlights the positive impacts of U.S. energy, and what it has, not only in the country, but the world. Can you tell us about the report and why highlighting these opportunities are necessary?

Mr. GUSEK. Absolutely. Thank you for the question. I have here a copy, a few copies of "Bettering Human Lives." We started 3 years ago on this initiative, recognizing that the conversation just was not pragmatic around energy. There was a continuous conversation around the negatives only, and a lack of recognition around all of the positives that energy brought to not only America but also the world. And so, we set out on this initiative as part of our ESG report, where we highlight all of the good we are doing in that space, to identify the true value that energy brings to our world and to try to have that conversation be a little more front and center.

And so, "Bettering Human Lives" today talks about the nexus between energy, energy poverty, climate, and economics, and the tradeoffs that are involved in each and every one of those things. And we have sent out, this year's copy now, 14,000 copies of this. It is bringing to light better conversations at both, I think, the Federal level, and also, colleges, schools, and elsewhere.

Mr. FALLON. And just to state for the record that all 15 Members of our Subcommittee, Republican and Democrats, were invited to attend this field hearing. It is unfortunate and sad, but also very telling, that there is not a Democrat that accepted this invitation. Because I think that, unfortunately, there are many people in the course of the political discourse that do not want to have a serious conversation of our energy needs and what that means moving forward. They are just appealing to, honestly, some gullible and vulnerable minds, particularly, at the college level that believe these climate myths. And so, they tend to—the President of the United States and many Democrats—tend to demonize folks that are in the energy industry. I wanted to ask you, Mr. Gusek, why those are absolutely untrue and why they are myths.

Mr. GUSEK. Absolutely myths. I look around at the people, and specifically, the 5,000 people that work at Liberty and what they go to do each and every day. As you appropriately stated in your opening remarks, energy makes the world go around. It has dramatically changed life. You can look back at thousands of years of history and what humanity looked like, and then all of a sudden, over the last 200 years, we have a hockey stick in human wellbeing. As you pointed out, life expectancy, significant reduction in poverty. These things are game-changing. And unfortunately, the world hears too much about eye-catching headlines, I guess, that fail to recognize exactly what energy does for us and how challenging it is to deliver the energy system we need today; and I think also fails to recognize just how big a delta there is in our world today.

I would like to share the statistic that the lucky 1 billion people on the face of this Earth consume 13 barrels of oil per person per year. The unlucky 7 billion people who have yet to achieve the style of life that we enjoy each and every day consume three barrels of oil per person per year. If they close that delta even by half, the significant increase in resource that we would need to meet that demand is nothing short of astounding.

And, so, we have an immense amount of work in front of us. The people I work with every day are proud to get up and do that. And they know that what they do makes people's lives possible.

Mr. FALLON. Mr. Tarpley, has the United States in the last 20 years increased or decreased our carbon footprint?

Mr. TARPLEY. Decreased.

Mr. FALLON. By what are we talking, 5, 10, 20 percent?

Mr. TARPLEY. I think 20 percent or more.

Mr. FALLON. Yes, it is over 20 percent.

Mr. TARPLEY. Yes.

Mr. FALLON. And over the last—the same period of time, has China increased or decreased their carbon footprint?

Mr. TARPLEY. Dramatically increased.

Mr. FALLON. Yes, I think it is three times in that same time-frame.

So, when California imposes regulation and—how does that help climate change? When China is firing up a new coal plant—I do not even know, well, I have heard estimates one a week, one new one a week and they tripled their carbon output.

Mr. TARPLEY. Right. They are building an enormous amount of coal-fired power generation to supplement production of solar panels and other equipment which they then sell to the world with lower prices because it is state subsidized.

Mr. FALLON. Let us just say that Gavin Newsom found some commonsense when it comes to energy and instituted policy and implemented policy that we have here in Texas. But in addition to that, China decided that they were going to follow the United States' lead and reduce their carbon footprint. Would that help the environment?

Mr. TARPLEY. Yes. If China would start building more natural gas fired power plants as opposed to coal, and using a lot of the technology that U.S. companies build to produce energy lower emissions, that would benefit not only China, but the world, but they are not choosing to do that, they are choosing a different path.

Mr. FALLON. So, they like to copy and/or steal our technology, but they do not do it for carbon capture, do they?

Mr. TARPLEY. No, they do not; that is not their strategy.

Mr. FALLON. Yes, it is actually very telling, and just again, for the record, in Texas today, the price of gasoline is \$3.26. In California it is \$5.42. That is a 66 percent increase. It does not do anything for the environment, but it hurts the pocketbook of those folks in California for sure. The Chair now recognizes Mr. Sessions for his 5 minutes of questions.

Mr. SESSIONS. Chairman Fallon, thank you very much. To each of you who are here to address us, thank you very much, not just factually based information, but the things which will allow us to be leading edge in our thinking in Congress.

Mr. Chairman, as you know, you just gave a price in Texas that is an average price. Waco, Texas, at the end of the Trump Administration, gasoline, the most expensive in town \$1.94 a gallon is now \$3.45. We know that there is a reward for this behavior that this Administration and Governors take, and that means that California has \$7-a-gallon gasoline. And they will get rewarded, and they will pay for that. But I would like for each of you to take just a minute and tell me about two questions—that policies have consequences, and that the new winners are not America. Mr. Tarpley?

Mr. TARPLEY. Well, I guess—thank you for the question. I think the United States has a very important choice ahead of us. If you look at the worldwide demands for energy, they are increasing dramatically. As we have mentioned AI, data centers, all of these factors are increasing the worldwide demand for energy. We have a choice. We can produce that energy here in the United States where we get the GDP benefit, American workers get that benefit, and also, we can produce that energy with some of the lowest emissions in the world, or we can let somebody else do it.

Mr. SESSIONS. And who are those people.

Mr. TARPLEY. Middle East.

Mr. SESSIONS. Qatar.

Mr. TARPLEY. Qatar. We can let them do it, and they will see the GDP benefit. And it will be done under their regulatory scheme, and they will see the benefit. That is our choice. The demand for energy is not going to change. That is a constant. It is going to be who is going to produce it.

Mr. SESSIONS. So, Saudi Arabia was the preeminent provider for so many years, and they became—they enriched their great nation. And they did. And as you still see, the royal family had over 400 747s just 20 years ago. They had the money.

Gentlemen, you want to answer that question? No. 1, policy has consequences; and No. 2, the new winners are not America.

Mr. GUSEK. Thank you for the question. Policies certainly do have consequences. As I alluded to in my testimony, a lot of that comes in the form of costs. And we pay for that here in America, both as consumers, but ultimately, from a larger standpoint than that.

I would point to Germany as a tremendous example of this, a case study that we could follow as a road we might be going down. They have chosen to implement policy that has ultimately made energy more expensive. Significantly more expensive. Electricity prices now are over 40 cents a kilowatt hour there.

Of course, manufacturing cannot afford to continue when energy costs that much.

Mr. SESSIONS. Oh, is that jobs behind those?

Mr. GUSEK. And there might be jobs that are lost as a consequence of that. Of course, that industry packs up and chooses to go elsewhere where the cost of energy is significantly lower. Think Southeast Asia. China is a great example of that. And I fear that we are headed down that same road unless we make some changes to our energy policy around that, and ensure that we keep the cost of energy low such that consumers win, and that industry is able to continue here. And certainly, if we choose not to do that, the beneficiaries will not be America, it will be Russia, it will be China, it will be Southeast Asia.

Mr. SESSIONS. Thank you very much. Mr. desRosiers?

Mr. DESROSIERS. I will just add to my colleagues' here on panel's discussions. There are parts of this country that have been blocked to building new infrastructure; pipelines. Where we operate in Pennsylvania, we are very close to New York state, and there have been a number of interstate pipelines that have been blocked, which is ironic when you think about how much natural gas we produce in this country and the Marcellus Shale, where companies like Coterra actually have the opportunity to export natural gas to places like Japan, but we cannot export the gas up to New England or New York to benefit people across our own state borders. And the reason I bring that up is, there are places in this country where people do not have a choice to use natural gas.

Even in Pennsylvania, there are rural areas where people are still forced to use wood or coal or propane, and they have to pay a higher price for those.

Over the last 10 years, I have had the opportunity to help gasify communities across rural Pennsylvania, working with utilities and pipeline companies to bring natural gas service to those areas. And I can point to multiple school districts, some of which are the current technology centers I work with here today, that invested money to connect gas to their facilities. And thus, have saved millions of dollars, millions of taxpayer dollars they did not have to pay in other energy sources, that they can reinvest in teachers and education and students.

So, yes, policies have consequences, whether it be the transportation of natural gas to other parts of our own country or the cost to the taxpayers to educate, or live in areas that do not have access to natural gas.

Mr. SESSIONS. Mr. Chairman, rarely did I hear these gentlemen, except in the employment that they have referred to, Texas. What they referred to was the Nation, consumers. And I would suggest to you—I wrote down some of the users of this energy that you have spoken of, and then we will make it closer to home. Jobs, homes, hospitals, airlines, and NASA. Because NASA is also our future.

Mr. Chairman, thank you—I want to thank this panel and thank you. I yield back my time.

Mr. FALLON. Thank you. The Chair now recognizes our good friend, Mr. Weber, for his 5 minutes.

Mr. WEBER. Thank you, Mr. Chairman. Wow. A great event. I appreciate you holding it. You have thrown me off my schedule to ask my questions here. So, I am going to shoot from the hip, which is what a lot of Texans do, by the way. We love the ice cream analogy.

Talk about pipelines, I think, Mr. desRosiers, am I saying that right?

Mr. DESROSIERS. Pretty close. desRosiers.

Mr. WEBER. desRosiers was my next guess. So, I think you said you gasified some communities in Pennsylvania. And this is going to be a question for all three of y'all.

Could it be said that those states, New York or others, that are blocking pipelines from—I do not care if the people in New York do not want natural gas—but isn't that interstate commerce? Has there been any consideration to filing a suit to see if we can keep that state from blocking a pipeline?

Mr. DESROSIERS. Yes, I believe there are considerations afoot, and there have been examples of companies to move the gas. I should preface by saying we are an E&P company up in Pennsylvania, so we are just developing the oil and natural—or the natural gas in the Marcellus Shale. We work with companies like Williams or UGI, whoever it might be, to actually move the gas.

In some instances, they have gone as far as the Supreme Court. I believe, PennEast Pipeline Project, they went as far as the Supreme Court and won against the state of New Jersey, which was blocking its ability to traverse the state of New Jersey to deliver natural gas to, I believe, the New York City and metropolitan area, but still ultimately abandoned the pipeline because of economic reasons and other delays.

So, to answer your question, yes, there are efforts afoot by the energy industry to navigate these frivolous lawsuits and these stalling tactics, as my colleague on the Committee said. Unfortunately, sometimes it does not always work out.

But I will say, in-state, in places like Pennsylvania and other areas, gas pipeline projects like the gasification ones I was mentioning, have been quite successful.

Mr. WEBER. Do y'all have any knowledge about any other suits going forward like that? Either one of y'all? Mr. Tarpley? Mr. TARPLEY. Well, I think it is an incredibly important point is

Mr. TARPLEY. Well, I think it is an incredibly important point is that there is natural gas being imported into the port of Boston because there is not enough capacity to get through New York state. They pay some of the highest prices in the country. That is incredibly unfair to people that live up there. There is litigation going on, and I think you bring up a really good point.

Mr. WEBER. Mr. Gusek?

Mr. GUSEK. The only thing I would add is, in addition to being imported into the port of Boston, I believe we are transporting natural gas into New York City by truck now rather than by pipeline to supply needs there, because we cannot get a pipeline.

Mr. WEBER. Let me follow-up on that. The Keystone Pipeline would have come into my district. You know, I am on the Gulf Coast, the upper Gulf Coast of Texas. I have seven ports, more than any other Member of Congress. We produce 65 percent of the Nation's jet fuel, 80 percent of the Nation's military grade fuel. OK. Huge on energy. Some of y'all will know maybe where Mont Belvieu is in Texas. It is like the pipeline capital of the world. The Keystone Pipeline—what Obama shut down, of course, and what Biden shut down after Trump had released a permit—carries 830,000 barrels a day. The average 18-wheeler—when you think of a tanker that carries 7,000 gallons—if you divided 7,000 gallons by—if you considered another 42-gallon barrel with a 50-gallon barrel, if you divide 7,000 by 50, you get 120 barrels in a standard 18wheeler tanker truck.

Gentlemen, to move 830,000 barrels a day, it would take 5,253 18-wheelers on the highway every day.

Mr. FALLON. Can you say that again?

Mr. WEBER. 5,000—if you divide 830,000 barrels a day by 50-gallon barrels, it equals 140 barrels. So, if an 18-wheeler carries 140 barrels to equate to 830,000 barrels a day, it takes 5,253 tankers on the highway every day.

So, Mr. Gusek, when you are putting out your plans—I mean, your reports, we need to be aimed at our younger generation, our schools, and saying, look, we do care about emissions. Pipelines are the best way to move this. Can you actually include those kinds of statistics, or do you already?

Mr. GUSEK. We do include a number of statistics like that. I think your point is a good one. That our world involves tradeoffs. And we have to contemplate the pros and the cons each and every time. And, unfortunately, I think our schoolchildren are mostly presented with the cons and not the pros.

Mr. WEBER. OK. Let me ask—I like one-liners. These guys will tell you that I suck at them, but anyway. Have y'all ever heard the song, "Love Makes the World Go Round"? Some of y'all are old enough to remember that. I will admit I am old. So, love does make the world go round, but energy greases the axle. I yield back.

Mr. FALLON. The Chair now recognizes Ms. Van Duyne, our good friend from Irving.

Ms. VAN DUYNE. Thank you very much, Mr. Chairman. And I am glad that the Oversight Committee is here in Texas. I am a member of the Ways and Means Committee, and we have held numerous field hearings, including, recently, in north Texas as well. I think it is important for Members to get out of D.C., and actually hear how policies are affecting Americans. I wish some of our Democrat colleagues were here today to hear how disastrous and hear firsthand how disastrous President Biden's energy policies have been for the American people.

The cost of living is being painfully driven up, making food, electricity, housing, and transportation incredibly difficult to afford. Many of the Biden Administration's energy-related regulations will also have compounding implications for the future of U.S. energy production. Also, for the U.S. energy workforce, we were talking about jobs earlier, in the states, in the communities that rely upon the energy sector for revenue.

To counter this, I am introducing legislation to hold the EPA accountable and to roll back these legislations. But I would like to add more here a little bit about, you know, about what we are trying to do. The fact is that with the EPA, they are out over their skis. And we have seen that with a number of agencies. They take advantage of the fact they have got some regulatory authority. The regulatory authority that they often add simply cripples the private sector. And for not any reason, it is not making the gas energy more affordable, it is not making it safer, it is not making it produce cleaner. It is just putting us at a complete disadvantage over our competitors, over other nations.

And I hear this all the time in almost every meeting that I take, somehow these regulations are crippling people, especially the EPA. It is the overreach, the unnecessary burdens. It is particularly when it comes to permitting. And I would like, Mr. Gusek, if you would not mind talking a little bit about how potentially the EPA has burdened your business.

Mr. GUSEK. Yes, thank you for the question. Certainly, a couple of examples that I highlighted in my written testimony. The first of those being the new methane rule. And the challenge around that—and, certainly, this impacts our customers more directly than us, but we feel it is—as a follow-on being the service company, specifically around how they are going to treat existing sources. So, you can imagine, of course, there are a lot of people who drive older cars in this country by virtue of that is what they can afford. If you had to have that car meet the most modern emissions requirement of a car that was built today, the cost to move that car from the emissions standard it met in 1975 or 1980 to today would been incredibly burdensome to that person. The EPA is now expecting that same result when it comes to methane emissions. They are treating sources that—around which decisions were made, given the economics and rules at the time, expecting them to now meet the most modern emissions standards. And, of course, that changes the economics for the company that made that decision and ultimately puts them in a bit of a challenge. They are going further with their waste emissions charge around a cost of methane emissions, transitioning what was a reporting rule into a mechanism for assessing attacks on people, using what I would argue as a pretty dubious calculation for the cost of methane, without considering any of the benefits that come from all of those production facilities.

Ms. VAN DUYNE. I appreciate that answer. Mr. Tarpley, 80 percent of U.S. energy goes to non-free trade agreement countries. Without access to the U.S. market, many of these countries are forced to buy it from our adversaries.

As a member of the Ways and Means Committee, last week, we had U.S. Trade Ambassador Katherine Tai, was in front of our Committee. Unfortunately, she chose to not answer any of my questions. Yes. That was not a very productive meeting. But one of the questions that I attempted to ask her was if the Administration planned to send Congress any new free trade agreements. With so little of LNG going to countries we currently have an FTA with, how helpful would an increase trade agenda help export more energy?

Mr. TARPLEY. Well, I think—thank you for the question. I think she did not want to answer the question because there is not a whole lot of sense to the LNG pause. It does not make a lot of sense for a variety of ways you look at it. I think it is a good point, though. If there is going to be this additional burden on non-FTA countries, then we should have a freedom trade agreement with countries that need to receive our LNG. And that is one way to speed up the process is to do that.

Ms. VAN DUYNE. Mr. desRosiers, as we look toward 2025, we are beginning to look at the extension of the 2017 tax cuts. What would the expiration of these tax cuts do to the energy industry?

Mr. DESROSIERS. That is a good question. The response to which I do not have a great answer on in this particular instance. I think I will defer to my colleagues on this one. Again, I came here prepared more to discuss about the energy industry workforce needs, but I will say this that—

Ms. VAN DUYNE. Well,—OK. We are going to move on because my time is up. If you think it will be better?

Mr. DESROSIERS. Yes.

Ms. VAN DUYNE. Mr. Gusek, Mr. Tarpley?

Mr. TARPLEY. Well, I will just say, you know, there was an attempt by the Administration to increase taxes on energy production. Ultimately, they did not even have support within their own party to do that during reconciliation process. We were obviously concerned that they could try to do that again. And anything that raises the cost of producing U.S. energy just is going to disincentivize production here in the U.S. and put us at a disadvantage to our competitors abroad.

Ms. VAN DUYNE. Mr. Gusek, I am over my time. Do you have a quick answer?

Mr. GUSEK. No.

Ms. VAN DUYNE. OK. Excellent. Thank you very much, and I yield.

Mr. FALLON. Thank you, the Chair now recognizes—we are saving the best for last—the Chair now recognizes our freshman colleague, the youngin', Judge, Colonel, Congressman Keith Self.

Mr. SELF. Thank you for that kind introduction, Mr. Chairman. My questions will primarily deal—I am not on this Committee, I am on the Foreign Affairs Committee—the LNG pause. First of all, the first question is, we are producing more fossil fuel that we ever have in spite of government. What is the lag time that we will see the impact of all of the Biden regulations? Because I would posit that we are seeing the production based on Trump rules. So, just give us a sense of when do you think we will see the real impact of the Biden rules and regulations? Mr. Tarpley?

Mr. TARPLEY. Excellent question, and we get this a lot. I will just start with offshore. These projects that occur offshore—their buildouts, 8 to 10 years. By the time you apply for the permit, get funding, build the project, it is 10 years. So, the decisions—the financial decisions that were made to get those projects going were made a long time ago. You know, it is a little bit shorter for onshore, and I am sure my colleagues could talk a little bit about that. But it is very true. The decisions that we are making today are going to affect our energy situation, you know, 8 years down the line.

Mr. SELF. And that is my point. Everybody needs to understand. Because people see we are producing more fossil fuel today than we ever have, and yet we talk about the Biden rules and regulations. The two are not simultaneous. There will be a lag. Now, we are trying—in the Foreign Affairs Committee, we are trying to wean Europe off of Russian energy, and yet, we have this LNG pause.

Your perspective, Mr. Gusek, I will start with you, or Mr. Tarpley, either one. What is going to be the impact of this LNG pause on the energy usage in Europe?

Mr. GUSEK. Thank you for the question. Certainly, my thought would be that it means they ultimately go out and source that LNG from elsewhere. These are long-term contracts when countries are making decisions around where they source energy. This is not something that is bid out every 6 months or every year. And so, if there is a doubt from the European countries that America is going to step up and supply that LNG, they will go source that LNG elsewhere and more likely than not, that will be the Middle East, and we will be at a loss for that.

Mr. SELF. Now I understand that Saudi Arabia is now maxed out at 13 million barrels per day. And we are producing more than that. Is that your assessment, that we are now the leading producer of fossil fuel in the world and will continue to be?

Mr. GUSEK. That is my assessment, both for oil and natural gas. Mr. SELF. So, if we are producing more fossil fuel than we ever have, has our refining capability kept up? This may be a Mr. Weber question. But if—can we handle all of the production that we are getting out of the ground? Because as everyone knows, we have—I think we have built one new refinery in the last, what, 25 years?

Mr. WEBER. What was it Obama said? "Yes, we can."

Mr. TARPLEY. I do not think our refining capacity has kept up the way it needs to. We have to export some of that product. We would not be able to refine it all in the United States.

Mr. SELF. Couple that with the pause, and you get my point. I would like—last like to talk about Alaska. We call it the National Petroleum Reserve. And I just want to make a few points. The Biden Administration now has 55 separate actions to cut down on mineral resources of all types being taken out of the ground in Alaska—55. In fact, they might have announced the 56th last week. We have 49 of 50 rare Earth minerals that are found in Alaska, and yet, we cannot mine them.

The petroleum production, I understand, in the National Petroleum Reserve is the equivalent of a postage stamp on a football field for the entire area that we are talking about.

Do states make a difference in your permitting, is my point? Does Alaska? Does Texas? Do they have an impact on your Federal permitting, or state or Federal permitting? Does it make a difference what state you are in?

Mr. GUSEK. Thank you for the question. It absolutely does make a difference what state you are in. We are, as an example, headquartered in Colorado. And I can tell you there is a full court press in Colorado against the production of oil and gas there. We had a member of the government there propose a full-on ban on oil and gas effective—permitting ban on oil and gas effective 2030. That was ultimately taken down. But, yes, it makes a difference depending on which state you are in. Some very favorable, some not so much. Mr. SELF. So, everyone up here is a Texan. I would like to know whether there are things that we can help you with in Texas. Obviously, we are a great oil and gas state, but we also want to maintain that status. So, if there are things that we can help you with, please let us know.

And I appreciate it, Mr. Gusek, your list of obstacles. Because I think who is leading the fight against those obstacles in Congress? Is it Mr. Fallon? It must be Mr. Fallon. Thank you so much for the—Mr. Chairman, I yield back.

Mr. FALLON. For the record, it is not Mr. Fallon.

You know, I read somewhere once, a very wise statement. And it said: If you begin with certainties, you will end in doubts. But if you begin with doubts, you will end in certainties. And what I mean by that is we should have—particularly as Members of Congress—we should have an intellectual curiosity. In fact, I think our job demands that we do so.

And it was very distressing that the very first Committee hearing we had for this Subcommittee, we had a brilliant man named Alex Epstein, who I think is genius level and an expert on energy and written a great book, and he was our witness. And before the hearing, he offered to—he gave a book—he was giving books out to the Committee members, and the Democrats would not take it. And I thought, that is very curious, because this is so important to our country and to the world moving forward. Why wouldn't you want to become more knowledgeable on energy? And they might not agree with his conclusion, but how do you even know he got to those conclusions if you do not read the book itself?

And then, the Ranking Member attacked him, personally, on a personal level to try to destabilize, you know, the whole Committee hearing. And they are beginning with certainties. We are all beginning with doubts, wanting to learn more.

And also, to your point, Mr. Tarpley, about truth in context. I can show you clips of Michael Jordan missing shots, thousands of shots. But if that is the only thing I show you, and you came from another country, and you were not familiar with the sport of basketball, you would think this guy is terrible. If the goal is to put the ball in the hoop, this guy cannot do that. And what I showed you—I did not show you anything that was untrue. I did not show you the truth in context. I did not give you the whole picture. And that is what we are saying of these universities. We are not seeing the whole picture.

What I want to do real quickly, is we are going to have, just a few Members, who wanted to ask a second round of questions. So, I would like to begin that. They can start the clock on me.

Mr. desRosiers, global demand is going to increase by 50 percent over the next few decades, and we need a sustainable workforce. We had a Committee hearing on apprenticeships and skilled labor. And it was probably one of the best ones we have had. And we had folks that were out in the field. Can you tell me a little bit more about—was it, Lackawanna?

Mr. DESROSIERS. Yes.

Mr. FALLON. Lackawanna College and the success that they are having in the specialized trades, and how that program came about, and the impact that it has had on your company and others? Mr. DESROSIERS. Certainly. Lackawanna College School of Petroleum and Natural Gas, about 12 years old now since it has been established, is in an area of the country that never had oil and natural gas development. Western, PA; upstate New York; and Ohio, and West Virginia, all had legacy oil and gas, just like Texas and Oklahoma did. But northeast PA lacked that. So, the college being forward thinking established a school to meet the needs of the newly established Marcellus Shale industry, focusing on the actual trades that are working in and around the well sites and/or the infrastructure to move that oil and gas to market. And to date, that school has graduated over 368 graduates, I believe, with a 95 percent placement rate. The placement—

Mr. FALLON. Ninety-five percent? Wow.

Mr. DESROSIERS. Ninety-five placement rate. There were a few individuals who joined the military or went on to 4-year degrees in engineering or other careers. So, that is why it is not quite 100 percent yet. But at a 10-year mark, many of those people are engaged in the industry, many of them promoted, many are specialized now. So, it is just showing the success of the program.

Mr. FALLON. And can you just continue to touch on what kind of opportunities await these graduates.

Mr. DESROSIERS. Certainly, opportunities in the energy industry, the power sector industry, the advanced manufacturing industry. We talked a little bit earlier about the skill sets that have changed dramatically. So, we are not just looking for people who can turn valves and use wrenches; we need people who are thinking with their mind, using electronics, using sophisticated techniques. And we are finding that these individuals are highly sought after because of their ability to do multiple jobs, multiple career opportunities. And I know a number of them that actually are now in Oklahoma—not Oklahoma, Ohio and West Virginia and Pittsburgh. So, the school originally was set up to support the local Marcellus Shale industry, but we are starting to see the graduates move across the basin and even across the country. So, there are tons of opportunities for these students, and the opportunities are not going anywhere.

Mr. FALLON. Mr. Tarpley, let us just take an extreme example on various issues, sometimes I think about what the extreme would be. So, in other words, if, let us say, the opposition got their way, what would happen, right? And it seems that the left celebrates folks that are the recipients of welfare. So, I always think about "Oh, what if we are all on welfare?" Then we would be, you know, some Third World country that did not have any infrastructure. So, let us just say that the Democrats in Congress get their way, and we seemingly do not produce any more natural gas or oil or fossil fuels in this country, they get their way, they win, Colorado wins, you know, OK? What is the practical application—what would happen there? So, you mentioned that there would be that lost money for our GDP, of course, jobs, high-paying jobs would be gone. And then—but this is the kicker I find interesting, not only would our energy then, we would have less money as a Nation, but then our energy costs would explode, because we would have to buy them, so the trade imbalance would increase even more so. But at the end of day, would you agree that we would also—it would be bad, it would be worse for the environment because we have a regulatory scheme, we have a strong environmental lobby. We have an independent judiciary. We have an expertise that has been built for over a century. We do it better than anyone else. So, the environment would suffer a result as well.

Mr. TARPLEY. It is a great question. I will follow your logic. Let us just assume oil and gas production stops in the United States, what would that mean? Well, first of all, it would mean that 650,000 men and women that we represent do not have a job, you know, so they are out on their own, the families that they support, they are on their own. But in addition to that, you have got to step back and think what does that really mean for the United States? Well, the reason why we enjoy the lifestyle that we enjoy right now, a lot of that, is because of energy. We have abundant energy, so that goes away. But one thing you can tell about Americans, we are not going to give up our lifestyle. So, we would still buy energy, but we would buy it from others, which would mean it would be more expensive. And just like you said, it would be produced under their regulatory regime.

So, we would not control the emissions of that energy, somebody else would. They would see the economic benefits and they would decide how it would be produced. And then those 650,000 jobs that used to be here in the United States, that supported those families, supported taxes, supported local communities, they are gone, they are somewhere else. So, the benefits go wherever else that is.

Mr. FALLON. So, you are saying that a country like Venezuela does not have a rule of law? I mean, it gets to be ludicrous, right?

Mr. TARPLEY. They make the decisions on what the rule of law is. Here in the United States, we do. And it is going to be better for us if we decide how our energy is produced, under our laws. Mr. FALLON. Yes, the people of this Nation have a say and we

Mr. FALLON. Yes, the people of this Nation have a say and we can trust an independent judiciary, where in China, in Venezuela, in Saudi Arabia, it is to the dictates of the ruling elite.

Mr. TARPLEY. Correct, that is right. And certainly, the emissions of transporting gas on a pipeline domestically within the United States, much lower than shipping it on a boat halfway across the world, so that is important to mention as well.

Mr. FALLON. And this is, Mr. Gusek or Mr. Tarpley, so you have New York City, roughly 8 to 10 million people live there. Would it be better for the environment to use a pipeline to get their energy to them, or would it be better to get all those trucks that Congressman Weber was talking about? Mr. Gusek, you want to take that one?

Mr. GUSEK. Certainly, I think the answer is pretty obvious on that—the pipeline is well demonstrated as the safest, lowest emissions way to transport hydrocarbons.

Mr. FALLON. It would dramatically reduce our carbon footprint if we did that.

Mr. GUSEK. Yes.

Mr. FALLON. And who fights that? What political party would fight that?

Mr. GUSEK. We know of only one.

Mr. FALLON. Yes, thank you.

The Chair recognizes Mr. Sessions for another 5 minutes.

Mr. SESSIONS. Mr. Chairman, thank you very much. I have two questions. One, Mr. Tarpley first, and then Mr. desRosiers. The first question is directly related to the jobs that you are speaking about.

In 2008, I visited Butler, Pennsylvania, and they became the epicenter in Pennsylvania of the coal-fired rules that President Obama put on them, that by and large, said, you cannot grow any more jobs, we cannot have anybody move here. And yet, you have told a story of the industry removing itself to where it provided new technology, new jobs, new opportunities. There would be opportunities not just in Texas that are being hurt now, but in other places that could take advantage of technology.

Mr. TARPLEY. Great question. Our workforce, as I mentioned, 650,000 nationwide. We are in all 50 states. It is changing. There are less, you know, folks working on traditional, like, you would imagine on a rig, they are getting into things like AI, high-technology. More folks are working maybe offsite monitoring the production, you know, from an offsite location. And they are getting technical training that you would not think of in a traditional oil field, you know, history.

So, the workforce is changing. And I think it will continue to grow. The technology that this sector is creating is transforming the way we produce oil and gas. And that is going to continue, that innovation is continuing year by year.

Mr. SESSIONS. So now, to add to that, and I think the Administration sees this, the next generation is cleaner, does have jobs, is using their education, is leading edge, becoming the world leaders.

Yesterday on Earth Day, President Biden called on his young people—I was going to refer to them as comrades—across America to sign up for the American Climate Corps, a Green New Deal-style program that will use taxpayer dollars to pay for environmentalist jobs where people who have been replaced in these areas would then come and be a voice against the commonsense that we are doing. Do you have an idea about that? Are you aware of this and what that would actually do using taxpayer dollars to fund these people who are out of work to fight the industry that you are trying to clean the world with?

Mr. DESROSIERS. It seems counterintuitive as we, as a Nation, continue to need more oil and natural gas. Especially if we are trying to transition into the hydrogen economy or whatever that might look like. Because again, natural gas, is a major feedstock of the hydrogen economy. We are finding in places like rural America, New Mexico, West Texas, it is difficult to get people to relocate there and take the jobs that we have available now, right? So, this idea that we are going to somehow supplement or fund other people to attack our industry or deminimize our industry does not make sense when we need the oil and natural gas.

I think the number is about 6,000 products every day that are made from oil and natural gas, not counting the electricity, not counting the fuels, not counting everything else that we need regularly. So, we need more people in our industry. We need to get them to the areas to work, where the jobs are open. And we need to, you know, stop vilifying this industry. Especially when—and I do not mean to ramble on here, but there is this belief, when you look at solar and wind or power generation or whatever it might be, we are using all the same skill sets across the board. So, we need to start looking at this from the standpoint of advanced manufacturing. We need to look at this from an idea that people want to be in these family sustaining careers. And we do have the opportunities and the pathways to get them into these careers.

Mr. SESSIONS. Mr. Gusek, you represent a company that employs people, is concerned about them. But you also know that they supply money to states that operate schools, that operate prisons, that operate highways, that operate all these other things that count on people working, people having jobs, avoiding unemployment, avoiding the misery of not having a job, and all those things that come with it. Can you summarize this for us about the real impact of what this delay will have, snapshot now?

Mr. GUSEK. That is a very good question. The impact would be significant. While we work in the oil basins, which primarily are centered in a handful of states, our employees come from across 42 different states. They travel to work for 2-weeks-on, 2-weeks-off shift. As we have already heard, salaries of \$80,000 to maybe \$150,000 a year with a high school degree and a commercial driver's license, working 26 weeks of the year, allowing them to spend 26 weeks a year with their family and still be valuable contributors to the local economy as taxpayers, but also as participants in that community.

That type of job is irreplaceable. I do not know of another industry that offers that kind of well-being to people from across the country with a high school education.

Mr. SESSIONS. Mr. Chairman, I believe we should all run to the future. And I think that as Buzz Lightyear, the Great American philosopher, said years ago, from here to infinity and beyond. But if we head the way the Democratic party wants us to, we will just be unemployed, sitting in the corner, sucking our thumb, waiting for Uncle Sam to provide us money. That is not, in my opinion, a good future for the country.

I want to thank each of our panelists. I think they were superb. Mr. Chairman, I yield back my time.

Mr. FALLON. Thank you.

The Chair now recognizes our good friend, Mr. Weber, for 5 minutes.

Mr. WEBER. Thank you, Mr. Chairman.

Alex Epstein, the name of his book, by the way, you all probably know it is The Moral Case for Fossil Fuels. That is a pretty popular book. And I am not surprised that when he passed it out in you all's Committee that the Democrats would not take it.

There was another gentleman named Robert Bryce who wrote a book called Power Hungry. They both make the moral case that the Third World countries, they are using animal dung, they are using wood chips, whatever they can to stay heated in the wintertime. And many of them die from asphyxiation from the animal dung or the diseases it causes, so if you all wanted that book.

I do want to say, by the way, you, I think, Mr. Gusek, had mentioned ESG in some of your remarks. And just so we can all be on the same page for those of you who may not know, ESG, stands for extra stupid government, OK? Just so you all know that. Mr. Gusek, one other thing I wanted to say, I was in the state legislature for 4 years before I got demoted to Congress. And I was on the environmental reg committee, and we went up to D.C. for an environment and energy conference. And the Under Secretary for the EPA was—I forget her name, I never dreamed I was going to run for Congress at that point—but she was making the point about WOTUS, Waters of the USA, and methane from cattle and from, you know, horses and that kind of stuff, livestock. And she said they had calculated, I forget what it was, 2,500, 3,500 farms and ranches in the whole United States, and they had calculated it, it would yield a \$26 million income stream. They had calculated how much money the government could get out of that, they literally had. It is stupid what they are doing. That is my rant for today.

Mr. Gusek, in my area of southeast Texas, it feels like every university, college, trade school, 2-year school, and even high schools are working day in and day out to uplift the very skills that we all know are needed, and to upscale our workforce to better face the challenge of the industry's future. I do not know if you all are familiar with Lamar University in that part of the state, it is in the Texas State University system. Pete and Pat, you all may also—did we lose the gentlelady? No, there she is, I can see her.

But they are going to build what is called an advanced terminal and methane emission training facility, given the fact that that is one of the requests we turned in for money for them so that they could actually train their workforce. It would actually simulate the complex into multicomponent systems that make up modern ports, because as I said earlier, we have seven ports. The ATMET, as it is called, would be housed in Port Arthur and would provide critical opportunities for workers to learn those skills required, you are talking about it, Mr. desRosiers, to man a cutting-edge LNG export facility. I have two current LNG export facilities in my district now, Freeport LNG and Golden Pass LNG. Cheniere Energy is right across the river in Louisiana. And we also have Port Arthur LNG which is rearing up. It has been through phase 1. Had to put it on pause because of the pause the President put on for phase 2.

So, your company, it sounds like, has learned to leverage workforce programs in how to skill up your employees. And based on what he was saying, that is something we all ought to be doing.

what he was saying, that is something we all ought to be doing. So, I am going to go to you very quickly, Mr. Tarpley. So, what do you see your companies that you represent participating in like programs? With schools and colleges, we have got to be—I mean, junior high, high school up.

Mr. TARPLEY. Yes, that is a great question. Thank you for that. Our companies, especially in the post COVID, we are having a lot of trouble finding workers. It has improved a little bit, you know, in the past years, but there is still a shortage. And there is a shortage for workers that are trained in these high-technology areas, that the location of where a lot of this oil and gas production and manufacturing goes on is adjacent to areas of high unemployment where there are people that need jobs. You have got to make that connection.

These workforce training programs are exactly how to do it. Train these folks in their local communities and let them know that there are jobs that are available where they can remain in their communities. That is the way to-

Mr. WEBER. Do you all have a training system with the compa-nies you represent? Do you all share those ideas?

Mr. TARPLEY. We do. We have an HR committee that shares those best practices amongst all our companies.

Mr. WEBER. Thank you.

Mr. Gusek?

Mr. GUSEK. I only wanted to add one comment to that. Certainly, as you have heard, we are losing people in that—petroleum engineering grads is a great example. I think enrollment or graduate from undergrad level now down 75 percent from historic highs in 2017, 2018 timeframe.

What we need is, we need junior high students, high school students to hear a message that oil and gas is going to be here for decades to come. It is difficult to attract people to our industry when they are being told oil and gas is done in 10 years. That does not look like a career to them and so they need to hear a different message. Mr. WEBER. Well, I hope you all are moving throughout your

communities.

By the way, one of the state reps from Colorado when we were in D.C. listening to the Under Secretary of the EPA, when she said sea level change was going to be really bad in the next 50 yearsyou cannot make this stuff up, one of state reps in Colorado said we walked out of that room and he said to me, "man, we in Colorado, we are concerned about that sea level rise." And I am thinking, I am on the Gulf Coast at 26 feet above sea level and he is probably at what, 1,500 feet and up? ESG is crazy.

I vield back.

Mr. FALLON. Well, thank you. I thought this was a great hearing. And I want to thank my colleagues and certainly the witnesses and everyone else for attending.

To your point about the sea level rises. I think that is interesting that Barack Obama bought, I think, a \$15 million, \$20 million property on Martha's Vineyard at sea level. So, he does not seem to be too concerned about sea levels rising at zero, or 1 to 2 feet. And also, when Joe Biden goes to Delaware, he is not up in the Delaware mountains. I do not think there is any such thing. He is at sea level at his beach house. So, they do not seem overly concerned about it.

The bottom line is energy security is national security. And as so many of the witnesses pointed out, it is economic security. It underwrites really our lifestyle, the comfort that we have been accustomed to, our prosperity, our health. If you have a serious disease, without fossil fuels, you are in big trouble. Something as simple as the IV bag, made from fossil fuels. We are in a propaganda war. And you hear terms like "settled science," which is intended to muffle anyone that does not toe the party line. It also wants to discourage the greatest asset we have as human beings, which is intellectual curiosity.

And it is getting to the point of cult-like—it is a cult-like movement. Insomuch as when we saw defunding of the police, the left was turning good guys into bad guys, and calling the bad guys good guys. And I think we are in danger of doing that here with energy. We have seen it.

What we have also heard from these witnesses is the absolute crucial nature of the American energy sector. Production costs, if they are continuing to rise and new regulations continue to enter growth, the U.S. energy workforce is not going to be sustained to meet that future need of 50 percent global. We have got to thank the hardworking men and women in the energy sector. And this workforce needs to continue, as you all know, to evolve. And we need that highly skilled labor or we are doomed. The Texas miracle that we have enjoyed here, I was in the legislature, right after Randy was demoted, for 8 years, and we have a Texas miracle, but if we do not have an educated workforce, that is not going to continue. We need to embrace innovation as well. And what a good friend, Congressman Self, was mentioning is when you can use an analogy to a football field and a postage stamp, that is what people can grasp. And they go, "wait a minute, if it's just that tiny of a piece, why wouldn't we try to exploit that for our Nation's benefit?"

But the Biden Administration they continue to declare war and demonize and cheerlead it. We hear constant lies. I have heard them in this Committee hearing, not this particular one, but in ones we have had in the past related to energy where we had a witness that attested that renewable energy production is cheaper than fossil fuels. Yes, it is cheaper when it is subsidized. And he said, no, no. If his statement was true, then there would be no need for fossil fuels because the wind and solar would undercut you all, but that is not true. But that is what they—I think he really believed it, which was that he was the Democrat's expert witness. That is frightening. It is chilling, quite frankly.

And the LNG pause, the argument was made that, we had that hearing last week, that that is making domestic national gas cheaper. And Mr. Tarpley pointed out that is absolutely not true considering over the 8 years, a far more expansive sample size in 3 months, 8 years, it has not happened. So, we need to be armed by the experts to talk about not their truth, but the truth. That is why we want to have hearings like this so we can get smarter and we can combat, because again, this is a propaganda war for the hearts and minds at the end of the day. And fossil fuels have allowed us to achieve so much in this country. And it is safer for the environment for us to produce it here than anywhere else in the world.

That is another inconvenient truth, as the left would say. So, I think the stakes are far too high for us to be complacent. And we need to continue to be the energy superpower that we are. And we need to expose the lies of the Biden Administration and congressional Democrats.

I want to thank all the witnesses for being here today, I want to thank everybody that attended, certainly my colleagues for taking the time on a district workweek.

In closing, and without objection, all Members will have 5 legislative days within which to submit materials, and to submit additional written questions for the witnesses, which will be forwarded to the witnesses for their response. If there is no further business, and without objection, the Sub-committee stands adjourned. [Whereupon, at 11:22 a.m., the Subcommittee was adjourned.]

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