

**Full Committee Hearing To Review FERC's Recent
Guidance On Natural Gas Pipelines**

Thursday, March 3, 2022

Chairman Manchin's Opening Statement

- The committee will come to order.
- Today's hearing is about the recent action taken by the Democratic Commissioners on the Federal Energy Regulatory Commission, which – in my view – served to elevate environmental considerations above American energy reliability, security, and independence.
- While I am aware of the fact that the DC Circuit ruled that FERC needed to “adequately” consider greenhouse-gas emissions, I believe the new policy statements overshoot what was necessary and in the national interest.
- I believe you all took the direction from the court and applied it far more broadly than you needed to, setting in motion a process that will serve to further shut down the infrastructure we desperately need as a country and further politicize energy development in our country.
- So I want to thank all five Commissioners for being here today to answer for your actions.
- But let me take a step back, because this decision – along with several other recent decisions made by the courts, at the state level, and in other political arenas – represents a shortsighted attack on fossil fuel resources without

recognizing the heavy lifting they have done and continue to do – and the integral role they play in our economy going forward.

- In my view, there is an effort underway by some to inflict death by a thousand cuts on the fossil fuels that have made our energy reliable and affordable while also providing us countless products and a vast strategic advantage over our adversaries and to the benefit of our allies and trade partners.
- I have consistently fought back against anything that puts our economy and energy security at risk under normal circumstances – something we all agree on – but we are now in a time of war, given Russia’s invasion of Ukraine, a freedom-seeking country.
- This is, in many ways, an energy war.
- And we need to treat it with that kind of gravity.
- I tell you, in my lifetime, the only other time I’ve been this concerned was as a teenager during the Cuban missile crisis.
- I say that because I know what it can escalate to when we’re dealing with nuclear weapons states.
- We can’t take this seriously enough.
- So to deny or put up barriers to natural gas projects and the benefits they provide while Putin is actively and effectively

using energy as an economic and political weapon against our allies is just beyond the pale.

- If we could actually get natural gas infrastructure built, it would not only help with the energy transition here at home, it would also help keep costs down for American families, create good paying jobs, and strengthen our ability to use energy as a geopolitical tool to fight for our values abroad and support our strategic partners.
- But it's not just the infrastructure we need, we also have to increase our domestic production or we will squander this opportunity to help ourselves and others.
- While the international effort to displace some Russian oil through release of strategic petroleum reserves is warranted, it's not a long term fix.
- We sit on an ocean of energy in West Virginia with nearly 214 trillion cubic feet of untapped natural gas in the Appalachian Basin, a resource that is even greater when considering the rest of the United States' reserves.
- But we can't get our abundant natural gas out of West Virginia with the roadblocks being placed in the way of these project developers, and the impacts are felt by the construction workers and energy communities who need the jobs and tax revenues. That's just ridiculous.
- We've tapped into these resources efficiently with nationwide production of natural gas reaching 34.1 trillion

cubic feet in 2021, almost a 50 percent increase from a decade before.

- Our crude oil production hit a high in 2019 with 12.3 million barrels per day being produced, more than doubling since 2011.
- However, since then crude oil production has fallen almost 9 percent to 11.2 million barrels per day in 2021.
- I understand that part of that is the impact of the pandemic, but while demand has ramped back up, production has not.
- That has driven up prices, but what is maddening is that we're prolonging the high price pain with unnecessary regulatory uncertainty and short-sighted actions like the ones FERC took two weeks ago.
- I understand that projections of both crude oil and natural gas are expected to grow in the short term, but that is heavily dependent on favorable policies to allow for their efficient development.
- Our issue is certainly not a shortage of energy resources – it's a lack of support for their responsible development and transport, but we also need industry to step up to the plate and start producing instead of prioritizing their profits over the good of the country.
- It makes no sense at all for us to continue importing energy from Russia while they are attacking a friendly nation seeking democracy, nor does it make sense for us to call on

other countries to increase production when we're not willing to do so ourselves, despite our abundant resources.

- We can't bring a knife to a gun fight – or in this case, an energy war.
- I stood by the new Administration when they called for a pause on the federal leasing programs last year.
- But the time for pausing has come and gone, and despite a court ruling saying the same, the Administration continues to drag its feet when it comes to leasing on federal lands and in federal waters.
- And let me be clear – I am in no way saying that we should throw our efforts on climate change to the wayside.
- Without continuing to use all of our energy resources in the cleanest way possible, we will simply lose an ability to compete globally as other countries plow ahead with their own plans for fossil development.
- The oil and gas we produce is cleaner than what we're importing from Russia.
- Our allies should take note, and work with us to advance the technologies – like carbon capture, utilization, and sequestration and clean hydrogen – that will strengthen our energy security and reduce global emissions.
- We also need to be deploying the technologies that already exist that would both reduce our own methane emissions while also getting more product to market.

- For the next several decades, fossil fuels will be part of our energy mix and I'm committed to the United States leading the world in the development and use of energy technologies that will allow us to produce and use fossil fuels in the cleanest possible way while we are ramping up zero carbon alternatives like nuclear, energy storage, and hydrogen.
- With that, let me get back to FERC.
- You permit natural gas infrastructure, including LNG export facilities.
- As such, you all have a big role to play when it comes to all of these issues pertaining to energy security and reliability and any action you take has implications.
- I strongly disagree with the decision to put a new policy statement with these huge potential ramifications into effect before an opportunity for comment.
- Putting "interim" on the title is misleading – this went into full effect two weeks ago and the American people deserve transparency behind what you are doing.
- These actions and the arbitrary lines drawn within them suggest a political agenda that the Democratic majority of FERC has gone overboard with rushing forward.

- Your policy statement updates a similar statement from 1999 and concludes a process initiated by former FERC Chairman Kevin McIntyre, but instead of building on those documents your work swings the pendulum far to the left.
- Doing so exacerbates the politicization of your agency, undermines long-term regulatory certainty and the ability of industry to plan and invest.
- It is critical for the security of our country that we strike the right balance, and that environmental factors be given consideration, but that must be weighed in the broader context.
- And I don't believe that was done.
- So I very much look forward to this discussion and hearing from you all.
- With that, I will turn to Senator Barrasso for his opening remarks.