



Opening Statement
Hearing on the Impacts of COVID-19 on the Energy Industry
Chairman Lisa Murkowski
June 16, 2020

Good morning, everyone. The committee will come to order.

We're here today to discuss the impacts of COVID-19 pandemic on the energy industry, with a special focus here in the United States.

Though every layer and every facet of American society has seemingly been affected – often dramatically – by the pandemic, it's clear to me as Chairman of this committee that the energy sector has suffered acutely and uniquely.

Energy is the foundation of our economy. Limits on business, travel, and social activities in an effort to contain the virus have had far-reaching consequences for our nation's energy producers—in terms of fossil fuels, renewables, and advanced technologies, such as nuclear power.

The resulting decline in demand can be found just about everywhere. Less flying means less jet fuel. Less driving means less gasoline and diesel. Less commercial activity means less electricity. Less consumption means less production. And, less investment today means less development tomorrow.

So for a producing state like Alaska, “less production” and “less investment” and “less development” are ominous signs over the horizon. That is why I hope, truly, that demand has been paused rather than destroyed.

Energy is, all at once, a finished product, a feedstock, a raw material, an input, an output, a value-added good, a natural resource, a tradable commodity, and a precious asset. It is critical infrastructure and emergency reserves, financial collateral and competitive exports, and, let's not forget, a source of high-paying and high-skilled jobs in its own right.

All of these factors are why the American energy sector is well-positioned to accelerate our nation's economic recovery.

So take the oil industry. Less than five years ago, we repealed the outdated ban on American oil exports. In short order, we saw our nation flip from a net energy importer to a net energy exporter – a truly generational shift.

Today, production has fallen, prices are erratic, and stakeholders in the sector are worried, and justifiably worried, about their families' futures. But the oversupply and low prices that we have seen may also incentivize new businesses to be created. We're seeing reports that many companies are looking to make their supply chains more resilient by shifting more of their necessary infrastructure and capital back home to the United States. That's been a point that my friend and colleague, Senator Manchin, continues to raise.

I also continue to believe that Congress should revisit its many mandates to the Department of Energy to sell off hundreds of millions of barrels of crude oil in the coming years. The Department's recent purchase of some 120,000 barrels is a step in the right direction, but I think we need to do more than just inch forward in the right direction. We need to refill our strategic stocks when prices are low, and as prices rise, we are missing a great opportunity. That's not rocket science to figure out that you buy when the prices are lower.

Our panel of witnesses today is uniquely qualified to comment on some of these matters. We welcome representatives from the Energy Information Administration, the International Energy Agency, and private sector officials covering oil, natural gas, electricity, renewables, and clean energy sources.

For those interested in supply chains, we will also have a hearing scheduled for next week on minerals' role in forming and strengthening them – that's another topic that has really come to the fore during the pandemic, and that rests at the intersection of the important work that is being done today.

So, with that I turn to my colleague, the Ranking Member Senator Manchin?

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