



Opening Statement
Oversight Hearing on Terrorism and Global Oil Markets
Chairman Lisa Murkowski
December 10, 2015

We're calling the committee to order this morning. This should be a very interesting and informative hearing as we do oversight on the intersection of terrorism and the global oil markets.

Before we begin I'd like to take a moment to introduce a former colleague here in the Senate and a former chairman of the energy committee and a longtime friend of mine. That would be my father, Frank Murkowski who has placed a keen interest in trying to understand the role between oil and terrorism. It happens to be that he is in town today but we didn't do this hearing because of him but the timing worked out. It's nice to have him before the committee.

More than half of global oil production occurs in regions of the world whether it's the Middle East, Africa, Russia, or Venezuela that are subject to instability of various kinds, including civil war and terrorism.

Oil production in certain countries such as Iraq, Syria, Libya, Yemen, and Sudan has been knocked offline due to terrorism and related violence. The indisputable fact is that North American barrels have largely replaced this disrupted production, so far. In tandem with machinations at OPEC, the global oil supply is simply saturated and may be for quite some time to come.

We also know that Iran, one of the original and most deadly state sponsors of terrorism, will soon be rejoining the global oil market, if President Obama gets his way, even as he continues to fight efforts by many of us to repeal the outdated oil export ban that would allow us here in this country to send oil to our allies. But I think it does beg the question; with that new source of revenue that Iran is anticipated to receive, what will they do with it? What will the intentions of these mullahs be? Is it going to do good and build hospitals or is it going to be used to direct additional sources of revenue to the terrorist organizations?

In recent months, we've seen a great deal of discussion about ISIS oil production and distribution, and coalition efforts to disrupt this source of revenue. Bottom line is this oil is helping to significantly finance terrorism.

I have long argued that energy security is central to national security. Last year, we released a series of staff reports; one was entitled Oil Production Outages and Strategic Warning, another was Iraq Through the Lens of Energy, and a report entitled A Dark Pool in the Mideast: The Problem of ISIS Oil Sales. Today, I am re-releasing them for public education and review. I think it is a historical walk through understanding some of the ties that we have.

But it's not just funding of terrorism through ISIS that we will explore this morning. I am concerned about continued violence in Libya, which is a significant source of light crude oil for our allies in Europe. If we're smart enough to lift the ban on our oil exports, our nation could sell light crude to our partners in Europe and help in that way.

Terrorists are also active in West Africa, where Nigeria is a major oil producer, and could potentially threaten vital chokepoints, such as the Suez Canal, the Strait of Hormuz, or elsewhere. And that is, in part, why I have been so determined along with Ranking Member Cantwell to make sure that we don't make reckless mistakes when it comes to sales of oil from our Strategic Petroleum Reserve. It's there for a reason. The word strategic is there in a very significant place.

On that front, the proposal by some to permanently ban production in a small sliver of the non-wilderness portion of ANWR, which could be the West Coast's strategic reserve, in my mind is wrong. It's dead wrong.

As terrorists threaten oil supplies in the Middle East, and as the state sponsors of terrorism in Iran prepare to make billions of dollars from selling oil to our allies, some within Congress are talking about intentionally and severely hurting American energy production.

This hearing is this morning, chiefly, about education. Members of the House and Senate and the administration must understand the economic and geopolitical context of the national interests that we are considering.

This committee has a unique perspective, given that over 90 percent of Iraqi government revenues are due to oil exports, given that nearly 90 percent of Syria's oil production is offline, and given that oil accounts for over 40 percent of ISIS' monthly revenue, according to IHS.

So, you can expect me, as chairman, to continue this conversation next year as we conduct oversight on the federal government's energy-related activities in the counter-terrorism fight.

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