

Ranking Member Pat Toomey (R-Pa.)
Opening Statement
Full Committee Hearing: An Economy that Works For Everyone: Investing
in Rural Communities
April 20, 2021 at 10:00 AM

Thank you, Chairman Brown. What we have here are two competing visions for how to help rural America.

One vision is that we should implement policies that allow rural areas to thrive. We know Americans can succeed if we give them a chance. Our recent U.S. energy renaissance shows this. It's been game changer for many rural communities.

Another vision—shared by some Democrats—is to provide government welfare to these communities. They do it through different vehicles, but at the end of the day, it's welfare.

My home state of Pennsylvania has a lot of rural areas. Some struggle, some thrive, but I don't know any that want to be long-term dependents of the government. Our goal should be thriving communities of self-reliant people.

As we consider the state of the rural economy, it's important to remember where we were a little over a year ago. Before COVID, we were experiencing an economic boom. We had the lowest unemployment rate in 50 years. In rural America, unemployment dropped to 3.5 percent in 2019—its lowest level in a decade. Nationally, including in rural America, Black and Hispanic unemployment rates hit all-time lows in 2019.

We had more jobs than people looking for work, a record low poverty rate, wage growth across the board with wages growing fastest for the lowest income earners, and ultimately a narrowing of the income gap. These are all objectives that Democrats support, and that we had achieved. All of this was spurred on by the steps Republicans took to reform our tax code and roll back excessive regulations.

An important part of that strong economy was America's energy renaissance. In 2019, the U.S. became a net energy exporter for first time

since 1952. We did it in part by becoming the third-largest exporter of liquefied natural gas. As gas replaced coal as the fuel for America's power plants, CO2 emissions actually declined. In fact, in 2019, the U.S. led the world in reducing energy-related CO2 emissions.

Across the country, the oil and gas industry has supported more than 10 million jobs, often in rural communities. In Pennsylvania—which is the second-largest producer of natural gas—the oil and gas industry has supported 300,000 jobs up and down the supply chain. A majority of gas production in Pennsylvania occurs in rural areas, like Susquehanna County. It's our largest natural gas producing county and one of our least densely populated counties.

Last March, our strong economy was roiled by COVID-19. We were facing the very real threat of a full-blown depression. In 2020, a bipartisan Congress helped to prevent that from happening by providing almost \$4 trillion in relief.

Fortunately, our economy is now in full recovery mode, and has been for months. The unemployment rate has dropped from almost 15 percent last April to 6 percent this March. 23 states have unemployment rates at or below 5 percent—many of them are rural states. Real GDP growth is expected to be extremely strong this year.

We should continue to have a robust economic recovery, unless the federal government undermines it. Unfortunately, that's exactly what Democratic policies are threatening to do. For example, the Democrat spending bill pays people more not to work than to work, so it's little surprise that in March's NFIB monthly survey, 42 percent of small businesses had job openings they could not fill—a record high.

The Biden Administration has also proposed massive tax increases and imposed burdensome regulatory policies. All of these policies will harm workers and slow economic growth. But some Biden administration policies will hit rural America particularly hard—some already have. For example, President Biden has terminated construction of the Keystone XL oil pipeline and indefinitely banned new oil and gas leases on federal lands. The Biden Administration is also seeking to coerce banks and investors to stop lending to fossil fuel companies and stifling U.S. agricultural exports by maintaining tariffs on Chinese goods and materials.

Today, we will hear from two witnesses about the harm caused by these attacks on the energy industry, particularly in rural communities.

Kathleen Sgamma is the President of the Western Energy Alliance. She will testify that these policies cause significant job losses. For example, President Biden's termination of the Keystone XL pipeline, according to the pipeline's developer, caused more 1,000 union workers to immediately lose their jobs, and ended a project that was expected to employ more than 11,000 Americans in 2021—the majority of them union workers—and create \$1.6 billion in wages. By the end President Biden's first term, his ban on new oil and gas leases on federal land—according to one study—would destroy an average of 58,676 jobs annually.

Senator Affie Ellis is a member of the Wyoming Senate. Her state ranks first in the nation for natural gas production on federal lands and second in oil production on federal lands. She will describe how the leasing ban harms Wyoming's economy and education budget, which receives substantial funding from federal energy royalties.

I wish I understood why Democrats are so determined to prevent us from getting back to the best economy my lifetime. Instead of wasting more taxpayer dollars, imposing massive tax hikes, and increasing regulatory burdens on businesses, we should be rolling back the harmful Biden Administration policies that are threatening the U.S. energy renaissance, which has done so much good for the rural economy.