



**Shawn Bennett**

**Executive Vice President, Ohio Oil & Gas Association**

**Proponent Testimony on Senate Concurrent Resolution 14**

**Before the Senate Energy and Natural Resources Committee**

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Thank you, Chairman Balderson, Ranking Member O'Brien, and members of the Senate Energy and Natural Resources Committee. My name is Shawn Bennett and I am the Executive Vice President of the Ohio Oil and Gas Association (OOGA). The OOGA represents 2,000 members involved in all aspects of the exploration, production and development of crude oil and natural gas resources within the State of Ohio.

I am here today to testify in support of Senate Concurrent Resolution 14 (SCR 14), which is sponsored by Senator Hoagland. The measure would lend Ohio's support to House Resolution 545, a national initiative to create a temporary, bipartisan panel to investigate the practices of OPEC and their efforts to impact global oil markets.

H.R. 545 establishes the United States Commission on the Organization of Petroleum Exporting Countries (OPEC) to investigate and address any practices on the part of OPEC that prevent or reduce competition in the global oil market.

I won't review the bill's specific provisions as Senator Hoagland did a fine job of highlighting the essential details in his Sponsor Testimony. However, I do want to illuminate some of the more egregious acts of OPEC price manipulation which have hurt American producers and which reaffirm the need for action at the highest levels of our government.

America's producers are not new to this fight with OPEC. In 1999, American independent oil companies filed antidumping and countervailing duty petitions before the U.S. Department of Commerce, which asserted that the nations of Mexico, Venezuela, Saudi Arabia and Iraq were selling crude oil into the United States at prices below production costs, also known as crude dumping. As a result of the crude dumping, the price of crude oil was suppressed to around \$8.50 per barrel. After the Department of Commerce's Department of International Trade Administration dismissed the case due to political reasons, the group of producers filed a complaint with the U.S. Court of International Trade requesting a full review of Commerce's decision. The Court, however, remanded the case back to the Department of Commerce. If events such as these would happen under this plan, then producers could take solace in the fact that these allegations would be fully explored and vetted.

More recently, SCR 14 rightly illuminates commodity price manipulation by OPEC that had a disastrous effect on American oil and gas producers. During the end of 2014, the world saw a global collapse of the price of crude oil. In June, 2014, crude oil was at a high of \$107 per barrel. By January, 2015, it was down to a low of \$44.00 per barrel. Remarkably, the price fell even lower to \$29 per barrel by February of 2016.

According to CNN Money, in February, 2016, there were at least 67 U.S. oil and gas related bankruptcies in 2015, a spike of 379% over the previous year. Forbes estimated that 69 producers with \$34.3 billion in cumulative secured and unsecured debt had gone under by May, 2016.

These numbers represent real businesses with real employees who provide real incomes for families right here in Ohio. The effect was disastrous. That being said, the recovery in Ohio and across the U.S. is slowly taking place. OPEC, in spite of their best efforts, could not decimate the entire U.S. oil and gas industry. Americans and our businesses are resilient. But there is a limit to how much the oil and gas industry can bear before more bankruptcies occur and our ability to produce affordable domestic energy is in jeopardy.

Thank you once again for allowing me to testify today on behalf of Senate Concurrent Resolution 14. I will now make myself available for any questions should the members of this Committee have them.

Respectfully Submitted,

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