



Committee on Natural Resources U.S. House of Representatives

Chairman Doc Hastings

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VIDEO: Chairman Hastings Speaks in Support of H.R. 1613

WASHINGTON, D.C. – Natural Resources Chairman Doc Hastings spoke on the House floor today in support of H.R. 1613, legislation that will create certainty needed to move forward with offshore energy development in certain areas in the Gulf of Mexico along our nation's maritime boundary with Mexico.



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"Mr. Speaker, I rise today in strong support of H.R. 1613, the Outer Continental Shelf Transboundary Hydrocarbon Agreements Authorization Act.

This bill was introduced by my colleague from South Carolina, Mr. Jeff Duncan, and will provide the certainty needed to move forward with offshore energy development in certain areas in the Gulf of Mexico along our nation's maritime boundary with Mexico.

Former Secretary of State Hilary Clinton and Mexican Foreign Secretary Espinosa signed this long-awaited Agreement in February 2012. Since that time, the House Committee on Natural Resources has repeatedly requested draft implementing legislation from the Obama Administration. It was not until March 19, 2013, when the Committee finally received just that – several short sentences to authorize the Secretary of the Interior to promote development of energy resources that lie along the boundary with Mexico.

Despite the Obama Administration sitting on this agreement for over a year, that should not in any way downplay the importance of getting this agreement approved. This agreement is good for our economy and good for American workers.

Opening new acreage for energy exploration and development creates jobs, creates more American-made energy, and helps reduce our dependence on foreign countries for our energy needs.

According to the Bureau of Ocean Energy Management and the State Department, this Agreement would open up nearly 1.5 million acres in the Gulf of Mexico. These areas are estimated to contain as much as 172 million barrels of oil and 304 billion cubic feet of natural gas.

These areas are ready to be explored and developed and this bill will give U.S. job creators the certainty they need to move forward. Activity can begin once this agreement is enacted.

This bill executes the implementation of the US /Mexico agreement but it also looks to the future- providing a clear and transparent path for how future Administration should go about submitting future agreements with other countries with which we share international boundaries. Given the fact that this implementing legislation was bogged down within several agencies for over a year, I believe Mr. Duncan's solution is a necessary step to ensure a smoother and more expedient process in the future.

H.R. 1613 also includes language to protect American workers by removing uncertainty surrounding the application of Dodd-Frank Wall Street Reform and Consumer Protection Act disclosure requirements.

The agreement signed by the Obama Administration and Mexico specifically provides what royalty payments Mexico would receive from energy developers. However, under current U.S. law, companies that commercially develop oil, natural gas or minerals are required to disclose payments made to a foreign government. This could create a potential conflict because Mexico has yet to decide how they will collect royalties and could potentially set regulatory measures that prohibit disclosure of payments. This could block American workers from being able to develop these resources.

Waiving the Dodd-Frank requirement is necessary in order to help protect American jobs and American-made energy. Without it, foreign-controlled energy companies could develop this American energy resource and the royalty payments to Mexico would still be undisclosed and kept private – but Americans would lose out on this energy potential.

The Natural Resources Committee and Congressman Duncan have worked hard to advance this bill and get it signed into law. It's important to American energy, American jobs and American energy security. And it is important to supporting a positive relationship with our neighbor to the South, Mexico.

I urge my colleagues to support this bill and reserve the balance of my time."

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