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**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

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**Opening Statement of**  
**Chairman Doc Hastings**  
**Committee on Natural Resources**  
**On Wednesday, March 16, 2011, at 10:00 a.m.**  
**1324 Longworth House Office Building**  
**Before the Full Natural Resources Committee**  
***Oversight Hearing on: "Obama Administration's De Facto Moratorium in the Gulf of Mexico: Community and Economic Impacts"***

Today's hearing provides the Committee an opportunity to hear directly from local leaders and citizens who are experiencing and feeling the impacts of the Obama Administration's *de facto* drilling moratorium in the Gulf of Mexico.

I've personally heard directly from Gulf State Members who are deeply concerned about the Administration's refusal to issue shallow and deepwater permits in a timely, efficient manner. These Members have shared stories of the real economic pain being felt by families, businesses and communities back in their home districts.

Rising gasoline prices only underscores the critical importance of developing our own American energy resources – not only in the Gulf of Mexico, but also in other promising offshore areas and onshore federal lands.

The actions and policies of President Obama and his Administration to block, prevent, delay, hinder, revoke, tax and drive up the cost of American-made energy is simply mindboggling.

When it comes to an energy policy for our nation, the President is headed 180 degrees in the wrong direction. His policies are taking our nation towards gasoline prices over \$4 per gallon, more and more good-paying energy jobs being lost overseas, and a deeper dependence on foreign sources of energy from hostile and volatile regions of the world.

In the Gulf, thousands of Americans who depend on offshore energy production for their livelihood have found themselves out of work. Rigs are sitting idle as small businesses lose millions of dollars a day and struggle to survive. And other rigs are leaving the Gulf of Mexico entirely – sending American jobs overseas to Africa and South America. It is not known when, or even if, these rigs will ever return.

Since last April, only 37 shallow-water permits and only two deepwater permits have been issued. For months and months and months, permits have lingered at the Department without action. Those who were actively drilling before the Deepwater Horizon disaster were shutdown and the Interior Department won't allow them to get back to work. This is unacceptable. A

federal judge has held the Interior Department in contempt for its inaction on permits and ordered decisions to be made. Instead of moving forward on permits, the Administration is wasting time and money on lawyers and appeals.

The need to end this *de facto* moratorium is not only crucial to the Gulf, but is also a national imperative. Nearly a third of all U.S. oil is produced in the Gulf of Mexico. In addition, there are hundreds of thousands of jobs throughout the country that are directly connected to offshore energy production.

The *de facto* moratorium also has serious national security implications. The Obama Administration's actions have already caused production in the Gulf of Mexico to decline by nearly 300,000 barrels of oil per day. But, incredibly, the Obama Administration has stated that OPEC can make up for this decline.

The interim safety rule issued by the Interior Department on October 14, 2010 stated that: "There is sufficient spare capacity in OPEC to offset a decrease in Gulf of Mexico deepwater production that could occur as a result of this rule."

The Obama Administration admits their actions are making us more reliant on foreign countries. The United States should not voluntarily subject itself to the whims or happenings of unstable foreign countries. Our national and economic security should not be left in the hands of a less-than-friendly OPEC.

Today's hearing is part of a series being held as part of House Republican's "American Energy Initiative." Tomorrow, the Committee will hold a hearing on how to harness our own American energy resources to address rising gasoline prices and create jobs.

Let me state very clearly that these hearings will lead to action by this Committee. As Chairman, I intend to introduce legislation to put the Gulf of Mexico back to work – and I intend to advance that legislation through this Committee. The Obama Administration seems unmoved by thousands of lost jobs, rapidly rising gasoline prices, and the threat these high prices pose to our economy – but this Committee will not sit idly by.

I also intend to take legislative action to reverse President Obama's imposition of an offshore drilling moratorium outside the Gulf of Mexico. When the President took office, the offshore moratorium had been entirely lifted, but over time he has taken step after step to reinstate it.

The Committee's hearings will help guide these legislative efforts. We will listen and then we will act.

Republicans on this Committee intend to act aggressively to ensure that our American energy resources are harnessed to create jobs and help lower prices.

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