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

Opening Statement of
Chairman Doc Hastings
At the Full Committee Oversight Hearing on
“Evaluating President Obama’s Offshore Drilling Plan
and Impacts on Our Future”
Wednesday, May 9, 2012

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American offshore energy production plays a vital role in our country’s economic security. It supports over a million American jobs, accounts for 30 percent of our Nation’s oil production, reduces our dependence on foreign oil and generates billions of dollars in federal revenue.

Now more than ever, with gasoline prices still hovering near \$4 a gallon and unemployment above 8 percent, the United States should be doing everything we can to ensure the timely and responsible production of our domestic energy resources.

Unfortunately, the Obama Administration is instead pursuing an agenda that keeps 85 percent of our offshore areas closed to new American energy production.

Every five years, the federal government releases a plan directing the development of our offshore resources. It includes specific locations and timelines for where and when energy production will occur. President Obama’s draft plan includes no new areas, no goals and no new energy resources. It’s a plan that reinstates the drilling moratoria lifted in 2008 and locks up vital American energy resources.

When President Obama took office, there was a plan in place to conduct lease sales in the new areas that were no longer under moratoria. Instead of seizing this opportunity to vastly increase American energy production, President Obama tossed aside that plan and canceled lease sales – including one off the coast of Virginia scheduled for 2011.

The draft plan released last fall from the Obama Administration closes the entire Atlantic and Pacific coasts to drilling, along with parts of the Arctic. The only areas this plan would allow energy production are in the Gulf of Mexico and, very late in the plan, small parts of Alaska – areas that have been open in some cases for decades.

President Obama claims to support expanded offshore drilling, but the reality is that no new drilling will occur anywhere during President Obama’s term in office, or if this plan is enacted, for the next half decade.

What’s even more troubling is that due to the Obama Administration’s delays, on July 1, 2012 the United States will have no plan to develop our offshore energy resources.

Offshore drilling plans are subject to multiple levels of public comment and review. One of the final steps is that the plan must be submitted to Congress for a 60-day review. That's the law. In order to complete all the legally required steps to have a new plan in place by the time the current one expires on June 30th, the President would have had to submit his plan to Congress by May 1st.

The Obama Administration let that deadline come and go without any action. This will be the first time the U.S. will not have a plan in place since it became a requirement in the 1970s.

I also want to quickly address the Obama Administration's deliberately misleading claim that their draft plan opens 75 percent of the known offshore resources. This is a calculated and outdated talking point meant to provide political cover for a failed record on offshore drilling.

The Obama Administration is using seismic data from the 1980s to estimate offshore oil and natural gas potential. Using scientific data from over 30 years ago to shape significant energy policy is not only completely unacceptable but shows a fundamental lack of understanding of offshore energy development. We don't know the oil and natural gas potential of new areas offshore until we begin development.

For example, just over a decade ago, the USGS believed that the Undiscovered Technically Recoverable Resources of the Marcellus Formation was 1.9 trillion cubic feet of natural gas. Today, it is estimated that Marcellus has 44 TIMES that amount. We know that technology has come a long way in 30 years - certainly no one here is using a computer from 30 years ago - and the Obama Administration shouldn't be relying on 30 year old data.

The United States' economic competitiveness is at risk if we don't act now to expand production of our resources. Last week, the Chinese announced an offshore plan to DOUBLE output by 2030. World markets are not waiting for us and if we don't plan for increased energy production now, we will surely pay for it in the future through increased dependence and higher energy prices.

Now is the time to make these important decisions and set the stage for an energy renaissance in the United States.