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U.S. House of Representatives

Committee on Natural Resources

Washington, DC 20515

Opening Statement of

Chairman Doug Lamborn

Subcommittee on Energy and Mineral Resources

On Wednesday, April 15, 2015

1334 Longworth House Office Building

Oversight Hearing on, "Examining the Future Impacts of President Obama's Offshore Energy Plan."

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I'd like to begin this morning's hearing by talking about commitment. I bring it up because the Administration often says it is "committed" to promoting oil and gas production on federal lands – including the outer Continental Shelf. Yet the actions of this Administration dictate otherwise. In fact, a recent report issued by the Congressional Research Service shows [chart on screens] that crude production on state and private lands has increased by 89% since 2010, while production on federal lands fell 10% over the same period – and I'd like to submit that report for the record.

As you can see, if you take the actions by this Administration at face value, it does not look like commitment to more production. Today's hearing will focus on the Draft Proposed Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2017 to 2022 – also known as the five-year plan. This plan has the lowest number of lease sales – EVER at 14, and that is being generous in assuming all of the sales remain in the final plan. It includes extensive buffer zones which take valuable resources off the table for the next five years. The shining hope for an Atlantic sale is dimmed when we remember that an Atlantic sale was scheduled to take place off the coast of Virginia in 2011. Now the earliest it can occur under this draft plan is 2021 – a decade later. Again, that is only if the one Atlantic lease sale remains in the final plan.

This is not a demonstration of commitment to more oil and gas production. If you look at the slide on the screens right now, you will see that in 1987, President Reagan put out a draft plan with 42 proposed sales, 17 of which were included in the final plan. That is a show of commitment. If BOEM truly wanted to show that the United States is "committed" to more offshore production:

We would be seeing a path forward to streamlining the seismic permitting process. We would see a regulatory structure that enhances safety and environmental protection, but that is also predictable so that companies could have a better outlook when planning for future equipment needs.

We would see a five-year plan that has more leasing in the Atlantic, that includes common sense ways to grow what existing production already exists in the Pacific, and a more

aggressive agenda to grow production in offshore areas of Prudhoe Bay to reinvigorate the declining throughput of the Trans-Alaska Pipeline system.

While the pipeline can carry over 2 million barrels per day, this week it is flowing at just over a quarter of that (560,790) – and this is crude that makes its way to West Coast refiners. Bottom line: an aggressive offshore leasing strategy would clearly demonstrate a true commitment to OCS oil and gas production in the U.S. It would also demonstrate a strong commitment to our nation's long-term energy security. Finally, to further foster increased exploration and production activity, we would see a plan for greater influence in the global marketplace by relinquishing decades-old export restrictions.

That kind of commitment would not go unnoticed. Companies already trying to decide where to invest their leasing dollars would know that the United States is, in fact, committed to grow production in the Atlantic to generate new supply for east coast markets. The west coast and Alaska would know that we are committed to keep TAPS flowing. And foreign countries would know that the U.S. intends to be the global energy leader for many decades to come.

I also would like to point out that leasing does not happen without seismic surveying. This seismic surveying is done right now in the Gulf of Mexico and in the Canadian Atlantic to look deep into the earth to show where resources exist. In fact, when Director Hopper was with the Maryland Energy Administration, she oversaw a shallow seismic survey conducted off the coast of Maryland in July and August of 2013 in order to plan for an offshore wind energy area. In a statement, Director Hopper said (and I quote): “The data we are making available will reduce the risks and costs of offshore wind energy development, protect the marine environment, and contribute to our scientific understanding of the oceans off our coast.” The same is true for oil and gas.

This study was also conducted alongside students from the University of Maryland Eastern Shore – which is an excellent way to foster STEM (science, technology, engineering and math) education in our nation by engaging students in this important work while also promoting offshore energy development. This is a win-win and we need more projects like this to increase our knowledge of ALL our nation's offshore energy resources. I look forward to working alongside Director Hopper to encourage more projects like this that integrate our higher education system to promote more seismic research. The Bureau of Ocean Energy Management has confirmed numerous times before this committee that there is no evidence of seismic surveying harming marine mammals – and that is why it is important to move forward expediently with this important scientific research that will benefit the leasing process.

Leasing is the fundamental building block upon which future oil and gas production is built. So much of oil and gas forecasting is out of our control, such as global supply, global demand, and the price fluctuations that go along with it. But leasing is something we can control. We should remember that – and commit to fostering offshore oil and gas production through a robust offshore leasing plan. That is why the committee has called

this important hearing today and I look forward to hearing the testimony from our witnesses.