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Opening Statement by
Chairman Doug Lamborn
Subcommittee on Energy and Mineral Resources
Oversight Hearing on the
"Effect of the President's FY-2012 Budget and Legislative Proposals for the Office of Surface Mining on Private Sector Job Creation, Domestic Energy Production, State Programs and Deficit Reduction."
Thursday, April 7, 2011

During today's hearing we will hear from the Administration and witnesses on the President's proposed FY-2012 budget for the Office of Surface Mining and associated legislative initiatives.

But before I review the issues with the President's budget, I want make one matter very clear.

Chairman Hastings and I have initiated an investigation into the Office of Surface Mining's attempt to rewrite the 2008 stream buffer zone rule and the ongoing fiasco resulting from the Administration's rushed effort to fast track major changes to an existing and significant rule.

I want to be very clear. This Committee expects the Administration and this agency to be forthcoming in responses to Committee requests. Failing to respond to Committee requests in a timely manner is unacceptable. This Committee will hold this Agency and the Department accountable for responding to our requests. As Representatives of the American people, Congress has both the obligation and the responsibility, to conduct oversight and we cannot, and this Committee and this Chairman will not, accept stonewalling. Now, moving on to the review of the President's budget.

The President's budget includes legislative proposals to change the 2006 amendments to Title IV (4) of the Surface Mining Control and Reclamation Act, SMCRA for short – amendments that took Congress 10 years to negotiate and pass. The recent proposed changes to Title IV (4) will have a devastating effect on the original deal that states made with the federal government and codified in SMCRA where fifty percent of the AML fees are returned to the state of origin. If the Administrations amendments are adopted those states that are significant donors to the federal program will question what they get in return for their mandatory investment.

As I mentioned before, even more egregious than this budget proposal, is the agency's ongoing effort to re-write the 2008 Stream Buffer Zone Rule. A rule that an independent contractor, hired by this Administration, found will result in the loss of over 7,000 direct jobs nationwide and

eliminate over 20,000 direct and indirect jobs in Appalachia. Over 29,000 people will be driven into poverty. After the job loss estimates became public, this Administration ended the contract with the contractor.

Once the information on the economic impact of the preferred alternative became public the Administration immediately tried to distance themselves from the contractor and to deny any knowledge of the forecasted job losses associated with the Administration's preferred alternative.

Since the administration took office the Department of the Interior has taken steps to reduce access to domestic energy and mineral resources on federal lands. With the President's proposed budget for the Office of Surface Mining and the re-write of the 2008 Stream Buffer Zone Rule the Department and this agency in particular is restricting access to private coal deposits. This is because SMCRA applies to all domestic coal mines regardless of surface or mineral ownership status.

More than 130,000 Americans depend on coal production for their livelihood. Throughout America there are places where the only industry in town is the coal mine. While this Administration may think it is a "preferred alternative" to displace tens of thousands of workers, destroying coal mining will kill these one industry towns, push tens of thousands of American families into poverty, and leave our nation poorer – all counter to the original intent of SMCRA.

SMCRA was designed to promote the development of the Nation's largest resource of conventional fuel to help meet the energy needs of the American people while ensuring the extraction of the coal resources is done in an environmentally responsible manner. Make no mistake about it; coal is vital to the American economy, especially to the generation of electricity. Nothing can tout it for efficiency and savings. Unless and until someone comes up with commercially viable alternatives, it would be foolish to try to get rid of coal.

America is a nation of excellence. Our achievements through the development of our abundant natural resources allowed us to become the richest country in the world, win world wars, and raise our standard of living far above much of the world. Increasing access to those resources, yes including coal, will allow us to become less dependent on foreign sources of energy and mineral resources, create new private sector jobs and add revenue to government coffers reducing the National debt and thereby increasing our National and Economic Security.

In closing, I am concerned that this budget makes cuts to programs that are important to states and citizens, proposes ending programs by fiat that are the result of tremendous negotiation in congress, and in the end reprograms money for a rushed and ill-advised rewrite of an important rule.