

U.S. HOUSE OF REPRESENTATIVES

NATURAL RESOURCES COMMITTEE REPUBLICANS

CONGRESSMAN DOC HASTINGS, RANKING MEMBER

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Hastings: Interior's Delay on OCS Leasing is really a Moratorium

Natural Resources Committee holds final oversight hearing on offshore drilling

WASHINGTON D.C. – At the House Natural Resources Committee's third oversight hearing on development of the U.S. Outer Continental Shelf (OCS), Ranking Member Doc Hastings criticized the Secretary of the Interior's decision to "delay" OCS leasing, noting that it's really a continuation of the moratorium.

"Although Congress acted last year to lift the moratoria on OCS development, it will require action by the Department of Interior to produce a plan for that development before any of our resources can be produced," **said Hastings**. "Sadly, the Secretary of the Interior decided to delay the ongoing planning and public comment period for new leasing and exploration on the Outer Continental Shelf. The true affect of Secretary Salazar's six month delay is a reinstatement of a ban on drilling. Make no mistake, this action has precisely the same result as a moratorium. So let us call it what it truly is, a moratorium, not a delay."

"The bottom line is that we need to develop the OCS and we need to start now," **continued Hastings**. "We cannot keep sitting on our hands, talking, while all other industrialized foreign countries develop their own domestic resources. We have companies that are ready, willing and able to invest private dollars to develop these resources, along with the technology to do so in an environmentally responsible manner, and we should let them. The federal government is currently spending billions of taxpayer dollars to revive the economy; perhaps instead we should take advantage of private investments that will result in new jobs and new revenue."

Below is a copy of Ranking Member Doc Hastings's opening statement from today's hearing:

"Mr. Chairman, I want to thank you for calling today's hearing. This is the third hearing focusing on how to address solutions for developing our OCS resources. Today we will finally hear from individuals who are actively developing oil and gas resources. Unfortunately, due to restrictions kept in place by this Congress for nearly a generation most of the development in the U.S. has been restricted to just a few small areas.

I hope that today we can here from the representatives before us about what they believe are the resources available in the OCS, how much investment and job creation they foresee

from expanded OCS development and how best Congress could put in place rules to make OCS development occur.

One of the largest questions facing Congress is what resources are really available in the OCS. While a 2007 MMS inventory report showed that there are billions of barrels of oil available in the OCS, the real question is how to responsibly develop those resources.

Estimates in the Atlantic Ocean, last surveyed in the 1970's, currently show 3.8 billion barrels of oil and 37 Trillion Cubic feet of natural gas. I have been told that if the estimates were to expand in the same fashion that Gulf of Mexico resources have expanded since the 1970's, then we would have more than 18 billion barrels of oil and 89 Tcf of gas in the Atlantic Ocean alone. These resources are a significant source of American energy development and a tremendous opportunity to free us from foreign oil and imported natural gas.

I hope that the witnesses today can give us some sense of what they know of the resources in the areas formerly under Congressional Moratoria. I am particularly interested in what areas they believe are the most productive for development and their willingness to commit billions of their companies' dollars into exploration and research in finding the resources in the OCS.

At a time when Congress is spending hundreds of billions to stimulate the economy, we have before us companies that are prepared to spend billions of their own dollars to bring much needed job creation and infrastructure to our shores. The only hurdle to those billions in investments has been access, which until recently has been blocked by the federal government.

Although Congress acted last year to lift the moratoria on OCS development, it will require action by the Department of Interior to produce a plan for that development before any of our resources can be produced. Sadly, the Secretary of the Interior decided to delay the plan for new leasing and exploration on the Outer Continental Shelf.

The true affect of Secretary Salazar's six month delay is a reinstatement of a ban on drilling. Make no mistake; this action has precisely the same result as a moratorium. So let us call it what it truly is, a moratorium, not a delay.

Last August, the Minerals Management service published a Draft Proposal Plan based on the lifting of the Presidential moratoria. That DRAFT plan was the first step in a long process of getting to OCS development, a process which includes resource assessments, impact reviews, environmental impact statements and multiple options for public comments.

All this must be in place before we can allow companies access to developing our resources, which will stimulate the economy, create jobs and make the U.S. less dependent on foreign controlled oil.

The need to move forward with the planning process is more important than ever because the development of these resources won't simply occur overnight. The process of leasing, finding, and producing in the OCS, particularly deep water OCS, is one of the most challenging technological achievements in the world.

The exploration and development...process and permitting...has meant that it often can take 10 years to develop a lease in the OCS. Now that we have new areas opened, I want to know what areas could be produced sooner than 10 years. In addition, I hope for suggestions on how we could shorten the time it takes to bring needed energy resources online for the American consumer.

Last year, the House repeatedly considered legislation based on the premise that companies were spending too long in the non-producing, or exploration, period of their leases and should instead be punished for not producing faster. I hope that we can examine what we could do to help speed the process along so that when we begin to act on OCS development, we can see the end of the tunnel in the production of those resources.

In addition, I hope that my colleagues who may not be as familiar with the lengthy process will hear firsthand of the difficult procedures that must be followed before production can occur.

Finally, Mr. Chairman I know I have said it before but OCS development isn't just about energy, it is also about creating new American manufacturing jobs and building the infrastructure to harness this energy. Offshore drilling has the potential to create millions of high-paying jobs throughout each development phase – from exploration and platform investments, to production and refining. Studies have shown it would also have spill-over effects, creating thousands of jobs across the country in other industries associated with offshore oil and gas production.

America is too dependent on foreign nations for our energy supplies.

We can and should determine the most responsible way to develop our OCS resources and I hope that the witnesses today will help us determine the best course of action to accomplish that goal.

I look forward to hearing from our witnesses.”

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