

DOC HASTINGS, WA
CHAIRMAN
DON YOUNG, AK
JOHN J. DUNCAN, JR., TN
LOUIE GOHMERT, TX
ROB BISHOP, UT
DOUG LAMBORN, CO
ROBERT J. WITTMAN, VA
PAUL C. BROUN, GA
JOHN FLEMING, LA
MIKE COFFMAN, CO
TOM McCLINTOCK, CA
GLENN THOMPSON, PA
JEFF DENHAM, CA
DAN BENISHEK, MI
DAVID RIVERA, FL
JEFF DUNCAN, SC
SCOTT R. TIPTON, CO
PAUL A. GOSAR, AZ
RAÚL R. LABRADOR, ID
KRISTI L. NOEM, SD
STEVE SOUTHERLAND II, FL
BILL FLORES, TX
ANDY HARRIS, MD
JEFFREY M. LANDRY, LA
CHARLES J. "CHUCK" FLEISCHMANN, TN
JON RUNYAN, NJ
BILL JOHNSON, OH

TODD YOUNG
CHIEF OF STAFF

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

EDWARD J. MARKEY, MA
RANKING DEMOCRATIC MEMBER
DALE E. KILDEE, MI
PETER A. DEFAZIO, OR
ENI F.H. FALOMAVAEGA, AS
FRANK PALLONE, JR., NJ
GRACE F. NAPOLITANO, CA
RUSH D. HOLT, NJ
RAÚL M. GRIJALVA, AZ
MADELEINE Z. BORDALLO, GU
JIM COSTA, CA
DAN BOREN, OK
GREGORIO KILILI CAMACHO SABLAN, CNMI
MARTIN HEINRICH, NM
BEN RAY LUJÁN, NM
JOHN P. SARBANES, MD
BETTY SUTTON, OH
NIKI TSONGAS, MA
PEDRO R. PIERLUISI, PR
JOHN GARAMENDI, CA
COLLEEN W. HANABUSA, HI

JEFFREY DUNCAN
DEMOCRATIC STAFF DIRECTOR

**Opening Statement of
Chairman Doug Lamborn
Before the Energy and Mineral Resources Subcommittee
Oversight Hearing on:**

"Impacts to Onshore Jobs, Revenue, and Energy: Review and Status of Sec. 390 Categorical Exclusions of the Energy Policy Act of 2005."
Friday, September 9, 2011, at 10:00 a.m.

Today the Subcommittee is meeting to examine the use of categorical exclusions for onshore oil and natural gas development.

In 2005, the Energy Policy Act of 2005, or EPAct, was signed into law. In order to expedite the development of domestic energy production and the creation of American jobs, section 390 of EPAct directed the Bureau of Land Management to use categorical exclusions to expedite energy supplies by limiting redundant environmental analysis and red tape. Categorical exclusions are only used on land where the environmental impact is minor, the fields have already been developed or where drilling was already analyzed under the National Environmental Policy Act.

In order to lessen our dependence on foreign oil, create jobs for Americans, and secure our energy future, Congress should take steps to streamline the process and enable energy projects to move forward without being subject to bureaucratic delays, costly litigation, and a burdensome permitting process. Categorical exclusions are just one tool Congress has given the Bureau of Land Management in order to accomplish this goal.

Western states such as Wyoming, Utah, and New Mexico have greatly benefitted from the use of categorical exclusions. A 2009 GAO report showed that Section 390 categorical exclusions were used to approve approximately 6,100 of 22,000 applications for drilling permits. In Wyoming alone, 87% of new gas wells drilled in the Upper Green River Basin from 2007 to 2010 qualified for expedited development under categorical exclusions. Each of these wells brought increased domestic energy production and American jobs to the region. Categorical exclusions have been successful in expediting American energy production and are an essential part of streamlining an already overly burdensome, bureaucratic, energy permitting process.

The Obama Administration took full advantage of categorical exclusions after passing the \$787 billion American Recovery and Reinvestment Act, when the Administration used more than 179,000 categorical exclusions for projects funded by stimulus money.

While categorical exclusions were good enough to use to quickly make the Administration's taxpayer funded stimulus projects "shovel ready," the Obama Administration apparently did not find them acceptable for American oil and natural gas energy projects. In 2010, conceding to pressure from environmental groups, the Obama Administration adopted new rules to essentially halt the use of section 390 categorical exclusions for energy projects and reinstated the burdensome and duplicative review process that has plagued the energy industry with delays, lengthy review processes, and onerous lawsuits.

Fortunately, these rules were overturned by a US District judge that rejected that Obama Administration's arguments and reinstated the categorical exclusion provisions.

Today's hearing will focus on the use of categorical exclusions and their impacts on onshore jobs, revenue, and American energy production. I want to thank the witnesses for taking the time to appear before our committee today and look forward to your testimony.