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

Opening Statement of
Chairman Doug Lamborn
House Subcommittee on Energy and Mineral Resources
Oversight Hearing on

"North American Offshore Energy: Mexico and Canada Boundary Treaties and New Drilling by Cuba and Bahamas"
November 2, 2011

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At a time when world demand for energy is increasing, businesses that provide us with the oil and electricity that we use every day will continue to seek out new places around the world to develop these resources. We want to be attracting this energy development to OUR SHORES here in the United States. That way, the American people can compete for the jobs that come from energy development - and our nation can reap the economic and national security benefits of increased U.S. energy development.

Unfortunately, as previous hearings we have conducted this year have so clearly pointed out: UNCERTAINTY is forcing companies to look elsewhere in a globally competitive market. As you can see from today's hearing - you don't have to venture too far to find new areas for oil and natural gas development. Cuba's lease blocks are only miles from our shores.

This is the subject of today's hearing - we will cover two boundary disputes that are hindering U.S. energy development, one with Mexico and one with Canada. It is the hope that an expeditious and fair agreement between the US and the other countries will give the certainty necessary to move forward with energy development along the U.S. - Mexico boundary and open the "western gap" in the Gulf of Mexico and in the disputed areas of the Beaufort Sea in Alaska.

Additionally, we will be discussing Cuba and the Bahamas' new pursuit of offshore resources and development- and what that development means to the United States. It is my hope that we can hear from BSEE and the U.S. Coast Guard today on the implications of this drilling in waters adjacent to the U.S. and how the inspection of Cuba's drilling rig announced at the Senate hearing on this issue will be conducted and what will happen afterwards.

It was my hope that the Committee would hear from all US government entities involved in issuing licenses and engaged in U.S. - Cuba drilling issues. However, the Departments of State, Treasury and Commerce all declined to participate in today's hearing. There has been growing concern that companies will be allowed to expand their engagement with Cuba and that this administration will weaken the U.S. embargo on Cuba, a state sponsor of terrorism. A recent trip to Cuba by the President's own Chairman of the Oil Spill Commission and licenses and waivers

for companies to sell technology to Cuba raise many concerns about this Administration's willingness to support the drilling efforts of the Cuban regime. Companies that are interested in engaging in support of Cuba's efforts should be aware that they are under the greatest of scrutiny and efforts to circumvent US law will be closely monitored and appropriate actions taken. Like dealings with Iran, engagement with a Cuban dictatorship that sponsors terrorism is a dangerous road.

Our second panel will answer more philosophical questions about the laws of our nation – and how we can work within the legality of these laws as we look towards the implications of Cuba's desire to pursue offshore drilling.

Offshore energy development in the U.S. is conducted with great transparency and extensive regulatory oversight. This is an entirely different story in Cuba where very little is considered "transparent" - especially with a brutal regime that has a laundry list of human rights violations. A public hearing such as we are conducting today on this subject would not be allowed to occur under the Castro regime. It is in the interest of this Committee to find out exactly how our nation is preparing to mitigate any problems that may occur as a result of Cuba's untested pursuit in offshore drilling. The Bahamas, Mexico and Canada are completely different examples of a nation's pursuing offshore drilling in waters adjacent to the United States in a transparent open manner that shows our nation's can work together to ensure the utmost safety.

Given the importance of these issues, I greatly look forward to the testimony we will hear today and I thank all of our witnesses today for answering questions on these diverse issues – all of which significantly impact our nation.