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

Opening Statement of
Chairman Doc Hastings
Committee on Natural Resources
On Wednesday, April 17, 2013
1324 Longworth House Office Building
Full Committee Oversight Hearing on

"State Lands vs. Federal Lands Oil and Gas Production: What State Regulators are Doing Right"

Today we'll hear the story of two very different methods for energy production here in the United States. The energy production that occurs on state and private lands, and the energy production that occurs on federal lands.

Energy production on state and private lands is flourishing – creating new jobs and thriving, healthy economies. These lands are the epicenter of the energy renaissance we're currently experiencing. On these lands oil and natural gas production has increased dramatically since 2007. The restrictions on these lands are not as onerous, and as a result, the average time to get a drilling permit approved is only 12 -15 days.

Contrast that with federal lands. There the average time to get a drilling permit approved is 307 days. That is nearly double the 154 days the process took in 2005. Regulatory hurdles, long delays, and policies that keep federal lands under lock-and-key have become all too common. As a result, federal oil and natural gas production has declined.

We frequently hear from President Obama that U.S. energy production is at an all-time high. It is, but he's only telling half the story. The story he's not telling is what multiple Congress Research Service reports have confirmed – and what this Committee has been saying for the last four years - that all of the increase in U.S. energy production has occurred on non-federal lands, areas that are largely out of his Administration's regulatory reach. This increase is happening in spite of Obama Administration policies – not because of them.

We have tremendous potential for new onshore oil and natural gas production on federal lands, but the Obama Administration is actively and purposely keeping these resources off-limits.

Perhaps one of the most egregious examples of this occurred earlier this year when the Administration finalized plans to close over half of the National Petroleum Reserve-Alaska (NPR-A) to energy production. The Obama Administration is not only prohibiting energy development in new areas, but actually closing off millions of acres in an area that was specifically set aside for energy production. With potentially over 2.7 billion barrels of oil and 114.36 trillion cubic feet of natural gas in the NPR-A, it is no surprise that the

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Administration's decision received bipartisan opposition and criticism in Alaska and around the country.

The Administration is also planning to release a new proposed rule on hydraulic fracturing on federal lands. It would be another layer of red tape and bureaucracy since states have been successfully regulating fracturing for decades.

Ironically, the Administration recognizes this, because the most recent reconsideration asked for a focus on "how to prevent duplication with the states." There is a simple solution to prevent duplication, DON'T DUPLICATE THE STATES. The 'one size fits all' regulatory structure being pursued by the Administration is a waste of time and energy. The difference in regulatory needs between Texas, Ohio and Utah are about as diverse as they can be, yet the Administration is proposing a one size fits all rule for all federal lands regardless of what state they are in.

Over the last two years, the Natural Resources Committee has held at least five hearings between Full Committee and various Subcommittees that focused on this issue. I intend for the Committee to continue this oversight by announcing another hearing in early May on the Administration's continued focus on a duplicative, unnecessary, and costly regulations. The Obama Administration's federal energy policies are costing American jobs, impeding economic growth and recovery, and robbing the U.S. Treasury of much needed revenue to help us balance our budget. We've seen how energy production on state lands can create new jobs. We've also seen how energy production on state lands can help ease the pain of high gasoline prices. So why is the Obama Administration refusing to take the same steps as the states to develop these resources?

Today we'll hear testimony from local elected officials from Texas, Ohio and Utah – places that have seen firsthand the dichotomy between energy production on state and federal lands. I hope we learn more about what these states are doing to encourage new, responsible energy production and how they can be a model for failing federal government policies.