

Written Testimony Of
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Governor of New Mexico

Before the
United States House of Representatives
Subcommittee on Energy and Mineral Resources of the
House Committee on Natural Resources

“Legislative Hearing on Onshore Energy Development Bills”

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Chairman Bishop, Chairman Gosar, Ranking Member Lowenthal, and subcommittee members, thank you for the opportunity to speak with you today on an issue that is of incredible importance and urgency to the state of New Mexico, western states, and the federal government.

Today alone, my state will lose out on approximately \$2 million in tax revenue due to a backlog for Applications for Permit to Drill by the Bureau of Land Management in New Mexico. This same delay in application approvals will cost the federal government another \$3.5 million in revenues, again, in a single day.

But these applications aren't just waiting a single day. The average approval time for BLM permits in New Mexico is 250 days, compared to just 10 days for the New Mexico Energy, Minerals and Natural Resources Department to approve those same permits. This has created a backlog of more than 800 BLM applications.

Over the course of a year, these delays add up to a \$713 million loss of revenue for the State of New Mexico and a \$1.3 billion loss for the federal government, with those amounts increasing daily.

I know that many other states are facing similar delays. If the federal government is losing \$1.3 billion per year from New Mexico alone, it should concern all of us to think what the national loss in revenue must be.

A large share of our state's oil and gas royalties support our public school system, and at a time when we're fighting to turn around struggling schools and ensure that our school campuses are safe and secure, we shouldn't be letting a single dollar slip away.

It's not just education. Revenue from oil and gas activity helps to fund all of our state's vital services like law enforcement, health and human service programs, emergency management, and infrastructure construction.

In addition to impacting important services, delays in the approval of permits also affect job growth and rural economic development. Oil and gas activity contributes more than \$11.3 billion to New Mexico's economy and is responsible for more than 100,000 jobs. Each backlogged permit represents New Mexicans losing out on good-paying jobs and rural communities losing out on economic growth.

We need a solution that will streamline layers of bureaucratic requirements and expedite the approval process. Five of my western governor peers and I have presented four proposals to the Department of Interior that would ensure the timelier handling of regular, run-of-the-mill applications for drilling permits.

The draft legislation before the committee today contains many of the same principles as our proposals, with one common objective: cut the duplicative and bureaucratic federal red tape that is hampering energy production across the West.

When I took office in 2011, I inherited nearly a half-billion dollar budget deficit and we have made great progress since then. Our tax revenues are rising rapidly, New Mexico's economy is expanding and diversifying, and we have taken critical steps to protect the long-term stability of our state budget while amassing an \$800 million budget surplus without raising taxes once.

We've cut unnecessary government red tape and improved efficiency, we've expanded production in New Mexico, while at the same time cracking down on polluters and levying more fines than any prior administration did. And, we're implementing our all-of-the-above energy plan to aggressively develop all sources of energy in New Mexico.

These four bills offer you an opportunity to improve federal processes in a way that will make a measurable difference for all New Mexicans and millions of people across the western United States and the rest of our country.

Thank you for your time and consideration.