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

Opening Statement of
Chairman Rob Bishop
Committee on Natural Resources

On Wednesday, April 22, 2015

1324 Longworth House Office Building

Oversight Hearing on *"Innovations in Safety Since the 2010 Macondo Incident."*

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Five years since the Macondo spill in the Gulf, there is widespread recognition that a great deal has been accomplished to address safety and environmental issues raised by this tragedy. Moving forward, improvements to safety and promoting responsible offshore energy development will require the continued involvement of both private and public sectors working collaboratively.

While today's hearing will certainly cover this important interchange, our discussion will focus on industry innovations, which have been the initial driving force behind most, if not all, regulatory and operational changes that have occurred in the industry since 2010. Early on, American energy producers immediately took action to develop new standards, recommended practices, and audits related to safety and environmental management systems. This week in Houston, Secretary Jewell applauded the work of the oil and gas industry in improving offshore drilling safety.

The Department of the Interior's response, however, involved subagencies dissecting into separate subagencies, resulting in the revenue collection office now known as the Office of Natural Resources Revenue, the Bureau of Ocean Energy Management (BOEM), and the Bureau of Safety and Environmental Enforcement (BSEE).

I do not mean to suggest that the Department of Interior spent all of its efforts these past five years rearranging the deck chairs, even though it is questionable if all of that effort really has resulted in improved safety and environmental protections. But, that is a subject for a different day.

Following industry's lead, the Department has issued several regulations, including the drilling safety rule and the workplace safety rule and its updates (SEMS I and SEMS II). Within the past couple of weeks, the Department released its well control rule, commonly referred to as the "blowout preventer rule."

As we hear testimony today from the witnesses, I and others will be listening carefully to the witnesses' opinions on whether the Department has struck the right balance, in its proposed and final regulations, between ensuring the safety of the offshore workplace and protecting the environment, *and* enabling private enterprise to responsibly develop our nation's resources for the benefit of the taxpayers.

After all, offshore bonuses, rental payments, and royalties totaled approximately \$7.4 *billion* in 2014. Without that money, the Federal government would be forced to make up revenue through either increasing taxes elsewhere or adding to mammoth deficits. Rather than seek reasonable balance, federal regulatory agencies tend to overreach, having the ultimate effect of stifling innovation, undermining safety, and restricting development. I look forward to hearing from the witnesses to see if that is indeed the case.

Additionally, Congress has been criticized for not doing enough in the aftermath of the Macondo incident. A brief reminder about how the process is supposed to work is in order. Congress enacts laws that set policy and empowers federal agencies to promulgate regulations for the more detailed governance and enforcement. Congress funds the initiatives. The Federal agencies promulgate rules after extensive public input from all stakeholders willing to participate.

Industry participants conduct their business in compliance with those regulations or face the penalties for failing to do so. Congress conducts oversight of the federal agencies to determine the agencies' compliance with the enabling statutes. It is incumbent upon regulated industries to take it upon themselves to self-regulate as well through the issuance of standards and best practices.

Just relating to the Macondo incident, this Committee alone has held *sixteen* hearings since the incident, ranging from budget matters for the Department to restoration of the Gulf. As we focus on the "Innovations in Safety Since the 2010 Macondo Incident," the title of this hearing, let's give credit where it is due and look for opportunities to improve as new technologies are made commercially available and new safety innovations are developed.