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Opening Statement of
Chairman Doc Hastings
Committee on Natural Resources
Before the Full Natural Resources Committee
Oversight Hearing on

"Offshore Energy: Interior Department's Plans for Offshore Energy, Revenue, and Safety Reorganization"

Friday, July 15, 2011, at 9:00 a.m.

The former Minerals Management Service (MMS) had become known as an agency rife with controversy and had been repeatedly investigated by Congress, the Inspector General, and the Government Accountability Office. Lax oversight, ethical problems, the inability to hold employees accountable, and conflicts of interest appeared to plague the agency and there was bipartisan consensus that changes needed to be made.

Established originally by Secretarial Order, the authority to reorganize MMS was, and still is, in the hands of Interior Secretary Salazar. After the tragic Deepwater Horizon accident the Secretary issued a series of fundamental organizational reforms. The Interior Department abolished MMS and formed the Bureau of Ocean Energy Management, Regulations and Enforcement (BOEMRE). Later this fall it will formally be separated it into three distinct offices for enforcement, energy development and revenue collection.

This hearing is an opportunity to examine how the reorganization efforts are going and how these changes will foster improved safety and efficiency of offshore energy production.

I've said from the very beginning that we need to take a thoughtful approach to any type of reform and we must get it right.

MMS had been the agency directly responsible for overseeing the safe planning, leasing, and production of our nation's offshore energy and mineral resources, as well the collection of related revenues.

Our economy, millions of jobs, billions in government revenue and our natural security are all dependent on this agency operating effectively.

I believe that any effort to reform and reorganize the Interior Department's offshore energy agencies must achieve four main goals:

1. First and foremost, it must improve safety. We must ensure that American-made energy is the safest in the world. To do this, we must ensure that the agency responsible for enforcement conducts thorough oversight, has the necessary resources to operate effectively and that its employees receive the best training possible.

As with any government agency or program there is always a question regarding funding. During these tough economic times, it's worth noting that House Republicans have provided significant additional funding in both the 2011 CR and the FY 2012 Interior Appropriations bill to hire new inspectors and improve offshore operations.

2. Second, it must increase government accountability. It's clear that many believe the different missions within the agency may have in the past been difficult to manage, considering the often contrasting goals of the different agencies. The goal of more revenue and more energy production often appeared to be pitted against safety. I believe it makes sense to separate these roles. However in doing so, we must be careful to ensure that these changes will result in increased accountability of their respective missions, and that simply more bureaucracy isn't being created.

Despite each office's different missions, each should share the same larger goal of helping to ensure safe energy development. To do this, there should be some level of coordination within the upper-level of the Interior Department.

3. Third, it must run efficiently. Members from the Gulf can testify to the real economic pain inflicted on the people and businesses in their hometowns due to the Obama Administration's inability to issue both deepwater and shallow-water drilling permits in a timely matter. Millions of jobs are tied to offshore energy production and they should not be held-up or threatened by burdensome government regulations and bureaucracy.
4. And fourth, which should be evident, it must ensure the highest ethical standards are being met.

I want to thank you Director Bromwich for being here today, I appreciate his willingness to bring with him testimony from Director Gould of the Office of Natural Resources Revenue, and I look forward to hearing your testimony.