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Opening Statement Of
Ranking Republican Rep. Doug Lamborn (CO)
BEFORE
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES
LEGISLATIVE HEARING

1334 Longworth House Office Building
February 24, 2010 at 2:00 p.m.

Legislative hearing on:
H.R. 3709, the "*Geothermal Production Expansion Act*."

Thank you, Mr. Chairman; I want to thank you for holding this hearing today.

HISTORY

Since the passage of the Geothermal Steam Act in 1970, development of geothermal energy has grown into an ever more important and mature industry. Today, no one would say that development of geothermal energy is in its infancy. This was recognized in the Energy Policy Act of 2005 through the John Rishel [Ri – shell] Geothermal Steam Act Amendments which updated the original 1970 act to encourage the use of the Nation's geothermal energy resources on federal lands. There is no doubt that these changes have met with success. New leasing has resulted in millions of dollars in benefits to states and counties in the Western United States and hundreds of new megawatts on our national grid.

Unfortunately, the benefits to counties from this program ended this year, when the Congressional majority decided to repeal the 25% portion of the royalty provisions of EPAct 2005.

It should be mentioned, Mr. Chairman that if we are committed to promoting geothermal energy, the reestablishment of the county payments provisions would help accomplish that goal.

HEARING

However, today's hearing will examine the Geothermal Production Expansion Act, H.R. 3709, introduced by our colleague Rep. Inslee of Washington. In examining this legislation, I found it curious just how much of a reversal this bill is from the policies often promoted by the Majority when addressing our nation's resources.

Late last year, Chairman Rahall introduced legislation which eliminated all non-competitive leasing of oil and gas on federal lands. In the supporting statement from the Committee it was

explained that this was done to quote, "achieve greater efficiencies and increased revenues." While the Chairman of the Committee believes that eliminating all non-competitive leasing would generate efficiencies and increased revenues, something on which we disagree, we are still here today examining a bill which will create a giant non-competitive leasing loophole in our geothermal program.

I expect today that we will hear our witnesses dance around the subject by saying that this is a small "reasonable and necessary change" or that we are simply addressing "narrowly focused legislation."

But the result is the same, this legislation attempts to eliminate openness and transparency by establishing a new non-competitive leasing program allowing bureaucrats and companies to complete sweetheart deals for America's resources in the backrooms of the local BLM offices. Competitive leasing of oil and gas resources has a long and successful record for the American taxpayer and the integrity and future of geothermal energy is enhanced by an open and competitive leasing program.

The Energy Policy Act of 2005 made the leasing process open and competitive which has generated millions for the taxpayers and benefited all Americans. The process is simple, if a company has lands adjoining federal land and knows what resources are below those federal lands, the competitive bidding process gives them every opportunity to win any lease they consider important.

They must simply win the bid, giving the American taxpayer the appropriate market value for the lands being leased.

Should the majority consider moving forward with this legislation, it is clear that it will need significant changes in order to protect the American taxpayer's resources.

JOBS

In closing Mr. Chairman, I would like to point out that we are now quickly approaching the end of February and millions of Americans remain unemployed and we lost an additional 20,000 jobs while we took no action in January.

Americans all across the country are hoping that their Congress will find a solution to create jobs and spur our economy.

As you know, I am an advocate of an All-of-the-Above energy strategy, to create more domestic energy through whatever means we can - be it wind, solar, geothermal or traditional oil and gas.

Unfortunately, we have seen little action over the last year on the domestic energy front. Since our last hearing, we have learned that the 2010 OCS leasing plan which was scheduled to start July of this year, received support from the American people by a 2:1 margin.

Unfortunately, this Administration, who extended the comment period to seek this additional guidance from the public, now seems blind to the will of the American people and plans to delay the implementation of a new plan by as long as two years.

CLOSE

I will close Mr. Chairman by saying that we have in our toolbox the right resources to create jobs, secure our energy independence and generate revenue for the American treasury. Yet, somehow we must find a way to open that toolbox and put those resources to work.

Once again, I want to thank you for holding this hearing, I welcome our witnesses and I look forward to hearing their testimony. Mr. Chairman I yield back.

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