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

Opening Statement of
Representative Doug Lamborn
Ranking Member, Committee on Energy and Mineral Resources
On Thursday, June 17, 2010, at 10:00 a.m.
1324 Longworth House Office Building
Before the Energy and Mineral Resources Subcommittee
Oversight Hearing on: "The Deepwater Horizon Incident:
Are the Minerals Management Service Regulations Doing The Job?"

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TODD YOUNG
REPUBLICAN CHIEF OF STAFF

Thank you Mr. Chairman.

Today is day 59 of the Deepwater Horizon incident. We are here to examine the shortcomings with regards to the Minerals Management Service's oversight of oil and gas development on the Outer Continental Shelf.

Although we are holding this hearing, we still do not know what actually caused the disaster on the Deepwater Horizon. We don't know how to stop the oil leaking from the sea floor, and we still don't know what happened to cause the explosion and what caused the failure of the Blow out preventer.

Yet the Administration has already made the decision to eliminate MMS as an agency and stopped all future OCS development.

It is important to keep in mind what we do know?

We know that this incident has had devastating impacts on the Gulf region. That the federal government and BP have still been unable to stop the leaking well and that BP is liable for the costs of the response to the spill including all cost incurred by government agencies responding to the spill, restoration of the environment resulting from the spill, and billions in economic damages to the people of the Gulf and the affected States. We know that stopping the leak and cleaning up the oil must be BP and the Government's first priority.

We know that according to Ken Arnold, an engineering expert used by the Department to recommend safety improvements, that in his opinion, I quote,

"For six hours they were getting information that things were not right on that rig and they were continuing to rationalize that things were OK, It was a group-think kind of thing, and there were a bunch of things that were on the borderline. ... When you keep adding up the mistakes, you end up in a situation where a big problem sneaks up on you."

I wonder how our witnesses here today will explain how MMS is supposed to overcome “rationalizing group-think” that results in a disaster. While MMS has tremendous responsibility, I doubt they have an ability to overcome human error. In our response to this disaster we need to know exactly what happened so we know exactly how to respond.

We know that the administration inspected all the offshore rigs, with no significant safety violations, and yet has instituted a 6-month moratorium as part of a peer-reviewed report. That moratorium was subsequently refuted by 7 of the engineering experts they asked to peer-review the report and in their professional opinion, I quote, “*changes made in the wording are counterproductive to long term safety.*”

We know that this moratorium is estimated to result in nearly 46,200 lost jobs almost overnight and as many as 300,000 jobs if it continues for a long period of time. In addition, it will have a direct impact that will be felt through 2014.

Furthermore EIA estimates the moratorium will result in a, reductions – of domestic crude oil production that will average about 26,000 barrels per day in the fourth quarter of 2010 and roughly 70,000 barrels per day in 2011.

We’ve asked the Administration for documents related to this disaster and those documents have not been forthcoming. It is very disappointing when the Administration has the documents that may provide answers that Congress needs to ensure that any legislation considered is designed to address a real problem. It is unfortunate the Administration shows no interest in demonstrating the transparency they demand of everyone else.

We know the Secretary has decided to break up MMS. First it was two departments, now it appears the plan is to make it three separate entities. Although Acting-Director Abbey is here to testify today, he was only appointed as the acting head of MMS after Director Birnbaum stepped down following our last hearing less than a month ago. Yet, on Tuesday the President announced a new Director for MMS who will be responsible for breaking up and rebuilding the pieces of MMS. Unfortunately, the Administration didn’t send Mr. Bromwich here today to testify before the Committee.

I hope that we can soon see Mr. Bromwich before us so we can ask him the important questions and get the important answers about the future of MMS.

CLOSING

Restructuring MMS may be the only way to rebuild public trust for the federal government’s role in leasing and development of the Nation’s oil and gas resources on the outer continental shelf, however, before we make sweeping changes to the Nation’s energy programs we should find out what happened on the Deepwater Horizon Rig April 20th. If it was due to human error all the regulations in the world will never address that problem.

If the MMS was culpable in the accident because they didn’t follow or enforce their own regulations ... well new regulations won’t fix that problem either.

And finally we need to look at the Administration's emphasis on renewable energy. Did they stray from the core mission of the MMS leaving them leaderless and unfocused?

As much as the Administration wants to place the blame on their predecessors the fact remains that the comprehensive environmental analysis required for the OCS 5-year leasing program and the lease sale was conducted under the Bush Administration, where as the Exploration Plan, APD, amended APDs and inspections of the Deepwater Horizon Rig were the responsibility of the Obama Administration.

We will hear from one of our witnesses today that safety, reportable and lost time incidents', for offshore operations and blowout incident rates steadily improved throughout the Bush Administration. That is hardly a hallmark of a group of people that regularly cut the regulated community slack.

I look forward to hearing from all of the witnesses today.