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U.S. House of Representatives

Committee on Natural Resources

Washington, DC 20515

Opening Statement of Chairman Doug Lamborn

Committee on Natural Resources

On Thursday April 25, 2013

1324 Longworth House Office Building

Subcommittee on Energy and Mineral Resources

Oversight Hearing on the U.S. - Mexico Transboundary Hydrocarbon Agreement to examine steps needed for its implementation and a legislative hearing on H.R. 1613, the "Outer Continental Shelf Transboundary Hydrocarbon Agreements Authorization Act"

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I'd like to thank everyone for attending our hearing today. The Subcommittee is meeting to provide oversight on issues surrounding the U.S. - Mexico maritime boundary and the development of shared hydrocarbon reservoirs in the Gulf of Mexico. We are also conducting a legislative hearing to discuss the gentleman from South Carolina, Mr. Duncan's bill, H.R. 1613, which enacts the *U.S. - Mexico Transboundary Hydrocarbon Agreement* and provides greater guidance on how these agreements shall be enacted in the future.

The current absence of legal certainty around hydrocarbon reservoirs that may overlie our maritime boundary with Mexico in the Gulf has prevented the Administration from leasing and US companies from exploring and developing these energy opportunities to bring more energy to market. In addition, due to the lack of an Agreement with Mexico, there is currently a moratorium on exploration and development for 1.4 miles on either side of an area of the boundary known as the 'western gap'.

As you are aware, under the Obama Administration, roughly 85% of our nation's Outer Continental Shelf is closed to exploration and development, at significant cost to our nation's energy and economic security. This Committee has long supported opening far more substantial acreage to exploration, yet the Administration has dragged its feet. This acreage along our maritime boundary with Mexico seems to be one area where we can agree that exploration and development can and will happen - pending the approval of an agreement that clearly delineates how any hydrocarbon resources that straddle our two nation's borders should be developed fairly and safely.

In 2012, after many years of discussion, then-Secretary of State Clinton and her Mexican counterpart signed an Agreement on how to explore, develop and share revenue from transboundary hydrocarbons, lifting the ongoing moratorium in the Gap area and the defacto moratorium along the boundary. This Agreement, if implemented correctly, is a rare opportunity to expand US energy production, create new American jobs, and grow our economy by opening new areas to oil and natural resources development.

I am deeply disappointed that it has taken that Administration more than a year since the agreement was signed to finally transmit to Congress something for us to consider. The Full Committee Chairman and I have both been supportive of enacting this agreement and we have been patient in waiting for the Administration to send language up to the Hill. Although we were attacked by the Secretary for not acting, we were and remain committed to acting on this issue. This is made clear by the fact that it was less than 5 weeks ago when the Administration finally submitted information to Congress, and here we are acting today.

We must approach this hearing remembering that approval of this Agreement sets an important precedent for other similar transboundary hydrocarbon agreements that we may arrive at with other nations. It is important that we get it right so that we may, along with our ally Mexico, set an example on how together we may foster the shared goal of developing our nation's outer continental shelf for economic prosperity and energy security.