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U.S. House of Representatives

Committee on Natural Resources

Washington, DC 20515

Opening Statement of Chairman Doc Hastings

Committee on Natural Resources

On Thursday, June 6, 2013

1324 Longworth House Office Building

Energy and Mineral Resources Subcommittee Legislative Hearing on

H.R. 2231, the Offshore Energy and Jobs Act

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Fact: The U.S. is producing more oil and natural gas than ever before. On state and private lands throughout the country, increased energy production is creating new, good-paying jobs; revitalizing and strengthening our economy; and making the U.S. a new player in the world energy market.

Some may look at this increase and think that means we don't need any further production on our federal lands and waters. This viewpoint is not only wrong, but incredibly shortsighted. In reality, the increase in production on state and private lands only further highlights the missed opportunities on federal lands. Jobs, revenue and economic security are all being forfeited because the Obama Administration continues to block energy production in the majority of our offshore areas.

Nearly five years ago, Congress and President Bush took action to lift the drilling moratorium and open new areas for drilling. Unfortunately, when President Obama assumed office, he tossed out a plan to develop these areas, canceled lease sales and then imposed a new plan that keeps 85 percent of our offshore areas off-limits. President Obama's current plan doesn't open one new area for leasing and energy production. That's why it's not surprising that the House, in a bipartisan vote last Congress, soundly rejected the President's offshore drilling plan.

The bill before us today, H.R. 2231, the Offshore Energy and Jobs Act, once again clearly states that the President's plan is unacceptable and it requires him to put a new offshore leasing plan in place by 2015. In contrast to the President's no-new energy plan, this is a drill-smart plan that focuses energy production in specific areas containing the greatest known oil and natural gas resources. It would safely open up new areas that were previously under moratoria – such as the Mid-Atlantic, Southern Pacific and Arctic. This would create over a million new American jobs and generate hundreds of millions of dollars in new revenue to the federal treasury.

The bill would also require the Secretary to conduct specific oil and natural gas leases sales, including offshore Virginia which was delayed and then canceled by this Administration. This lease sale was originally scheduled to take place in 2011. But President Obama has ensured Virginians won't be able to produce energy, or enjoy the economic benefits, while he's in office since the earliest this lease sale could happen is 2017, unless Congress takes action.

The bill also establishes fair and equitable revenue sharing for coastal states. As was pointed out in Committee hearings last Congress, it's important to recognize that revenue sharing will increase American energy production by creating new incentives for opening new offshore areas to drilling. More energy production will mean more jobs, a stronger economy, and more revenue.

Finally, the bill would reorganize the Interior Department's offshore energy agencies. While the Department has already moved forward in this process, there has been bipartisan recognition, including from the Administration, of the need for organic legislation to codify these changes into law. Reforms must increase accountability, improve efficiency, promote safety and ensure the highest ethical standards of employees.

Much like the Administration has also done, this bill would officially abolish the Minerals Management Service (MMS) and create three separate agencies - each with very clearly defined missions. It would also establish an Under Secretary of Energy, Land and Minerals, which would be appointed by the President, in order to elevate the role of American Energy production within the Department. The bill also includes a number of reforms to promote safety and high ethical standards.

The majority of the proposals in this bill passed the House last Congress with strong bipartisan support.

Our Nation deserves better than the President's current offshore energy plan. While state and private lands in the U.S. are undergoing an energy revolution - there is no good, credible reason why our offshore areas should be regulated to the sidelines. Our federal lands and waters can be part of America's great energy story - and help contribute to job creation and economic growth - if we can only remove the government barriers that keep them off-limits.

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