

Opening Statement
Ranking Member Holt
Subcommittee on Energy and Mineral Resources
Hearing on BLM/Forest Service FY2012 Budget Request and Legislative Proposals
April 5, 2011

Thank you.

The Bureau of Land Management (BLM) oversees all mineral and energy resource extraction activities on all Federal onshore lands, including units of the National Forest System. Far from locking up our energy resources, as some in the majority have alleged, the BLM is actively promoting the development of all forms of energy.

The Obama Administration has continued to increase domestic oil and gas production on federal land. In 2010, domestic natural gas production reached an all-time high, and domestic oil production reached its highest levels in nearly a decade. Oil production increased more in the United States last year than in any other country in the world.

This occurred despite the fact that oil companies are often letting the leases they are issued languish and the drilling permits that are approved go unused. In 2009, BLM approved 4,487 new permits onshore but industry only started 3,267 new wells. Last year, oil companies held back even more -- BLM approved 4,090 Applications for Permit to Drill (APDs), however, industry only started 1,480 new wells.

Meanwhile, according to a recent report released by the Department of the Interior, oil companies are sitting on tens of millions of acres of public lands on which they are not doing

ANY exploration or production whatsoever. According to that report, oil companies are not conducting exploration or production activities on 57 percent of the onshore acres under lease. And this current level of development is not an aberration; the report concluded that over the last decade, oil companies have produced oil on an average of only 30 percent of the public land they held under lease.

Ranking Member Markey and I have introduced H.R. 927, the USE IT Act to establish an escalating fee on oil and gas leases over time, providing a strong incentive for oil companies to either start drilling or relinquish this land so that another company can develop it. Our legislation also would help us reduce the federal deficit by increasing the revenue to the federal government. A similar proposal is included in the Administration's budget request.

In addition, the Obama Administration is promoting the development of renewable energy on public lands, which had been almost completely ignored under the previous administration. The Department of the Interior has set a goal of permitting 10,000 MW of renewables on public lands by the end of 2012 and has already approved 5,683 MW of wind, solar and geothermal on the way to that goal. This stands in stark contrast to the "De Facto Renewable Energy Moratorium" on public lands that was in place during the Bush Administration. Indeed the previous Administration only approved 4 wind projects on public lands and NO solar projects over 8 years.

The Obama Administration is restoring a balance to our energy development on public lands that was sorely needed. I look forward to the testimony of our witnesses.