

Statement of Ranking Member Rush Holt

**Legislative Hearing on:** HR \_\_ (*Hastings of WA*), “*To establish in the Department of the Interior an Under Secretary for Energy, Lands, and Minerals and a Bureau of Ocean Energy, an Ocean Energy Safety Service, and an Office of Natural Resources Revenue, and for other purposes.*”

September 15, 2011

Thank you Mr. Chairman.

The Independent BP Spill Commission issued a 350 page report that was an indictment of the entire offshore drilling industry. Yesterday, the Interior Department and Coast Guard Joint Investigative Team issued its report, which further confirmed the failings of the companies involved in this disaster. The Interior Department even announced that it would issue seven violations of federal regulations against these companies.

The BP Commission recommended sweeping reforms to improve the safety of offshore drilling. Yet well over a year since the spill began, the Congress has still not enacted a single legislative reform.

Codifying the reorganization of the former Minerals Management Service, as the Majority’s discussion draft attempts to do, is an important step. However, it is only one of many reforms that are needed to ensure that we never have another similar disaster again. Unfortunately, thus far the Majority has refused to take action on broader legislation that Ranking Member Markey and I have introduced, H.R. 501, to implement the Commission’s recommendations.

The Interior Department began the process of dividing the MMS into three separate agencies to oversee leasing, revenue and safety in June 2010. On October 1<sup>st</sup>, the Department will complete this division. However, the Majority’s discussion draft has some critical differences with the Department’s reorganization that could undermine the separation of the safety, leasing and revenue functions.

The discussion draft could obscure safety and resource management between the new agencies, which would potentially undermine the purpose of the reorganization. The discussion draft also makes little mention of environmental protection in outlining the duties and responsibilities of the new leasing agency.

In addition, the Commission recommended that the director of the new safety agency be appointed to a five or six year term to insulate them from political influence and that they should be confirmed by the Senate. The discussion draft would not implement either of these important recommendations, as we do in our Democratic legislation.

The Commission also recommended that Congress provide a stable funding stream to the regulatory agencies through increased fees on the industry. This agency has historically been woefully underfunded and we need to ensure that they can hire the experienced engineers, inspectors, scientists and first responders they need to properly perform their duties.

The Majority's discussion draft would not provide any dedicated funding for BOEMRE as we do in our Democratic legislation. In fact, the Majority even underfunded BOEMRE in the FY2012 Interior Appropriations bill and rejected solutions as simple as making oil companies pay for their rigs to be inspected.

And for my colleagues on both sides of the aisle who care about new drilling, I have some bad news. Because the discussion draft differs from the reorganization that the Department will complete in a few weeks, the Majority's proposed legislation would actually lead to significant delays in future permitting for offshore drilling and issuing new leases if it were enacted in its present form.

Rather than legislatively repeating the mistakes that led to the BP Deepwater Horizon disaster we should pass the broad reforms called for by the BP Commission so that our offshore drilling industry can be the safest in the world.

I yield back.