

Senator Mark Begich remarks
House Subcommittee on Energy and Power
Hearing on “The American Energy Initiative”
10 a.m.; April 13, 2011; Rayburn 2322

Chairman Whitfield, ranking member Rush and members of the subcommittee.

Thank you for the opportunity to cross the Capitol to testify today. And congratulations for pursuing the American Energy Initiative.

As our economy regains steam from the worst economic crisis since the Great Depression, developing America’s energy resources for Americans and by Americans is a vital part of our recovery.

About a month ago, President Obama proposed essentially that when he called for increased domestic oil and gas development and cutting foreign oil imports by a third by 2025.

The President even said his administration is – quote – “looking at potential new development in Alaska, both onshore and offshore.”

We Alaskans were glad to hear the President use the “A” word: Alaska. As America’s energy storehouse for better than a quarter century, we are anxious to continue supplying our nation a stable source of energy just as we have been doing since oil starting flowing through the trans-Alaska pipeline in 1977.

Simply put, Alaska has enormous untapped oil and gas reserves – an estimated 40 to 60 billion barrels of oil on state and federal lands and waters. That’s approaching a decade’s worth of U.S. consumption.

And we also hold the nation’s largest conventional natural gas reserves – more than 100 trillion cubic feet of this clean-burning fuel.

As is always the case, it’s the details that matter. While we welcome the President’s interest in increased energy development in our state, his administration - and those which preceded him – have enacted roadblocks to this laudable goal.

I know the hearing today focuses on offshore activity, but the problem is widespread. In the National Petroleum Reserve-Alaska, ConocoPhillips has been working for years to secure a permit to build a bridge into a petroleum reserve to development oil – only to be stalled by the Army Corps of Engineers and EPA.

In the offshore, Shell has been working for five years and invested more than \$3 billion for the opportunity to drill exploratory wells in Alaska’s Chukchi Sea.

They got very close last year, but just when it appeared the development had the green light a few weeks ago, an internal EPA Environmental Appeals Board sent the air quality permit back to the drawing board.

Mr. Chairman, I have to confess that I haven't studied your bill closely. But I do endorse the call for a change.

Business as usual simply isn't working when it comes to increased oil and gas development in my state.

That's why I recently offered two relevant proposals for change.

First, creation of a federal coordinator for the Arctic OCS. This would be modeled after legislation the late Senator Ted Stevens passed establishing a federal gas pipeline coordinator.

This office would have authority to work across the agencies causing Alaska so much heartburn today – the EPA, Army Corps of Engineers and Interior Department.

The federal OCS coordinator would work with the State of Alaska and affected local governments to streamline development in the Chukchi and Beaufort seas, which hold such promise for future oil and gas development.

Second, I suggested legislation to transfer the authority to regulate air quality in OCS oil and gas development off Alaska from EPA to the Interior Department, as is done in the Gulf of Mexico. Your legislation appears to make the EPA process work like what Interior does now.

Either way, we need to get to a place where one agency is in charge, where the process is the same across the country and where people who invest time and money get a result on a reasonable time frame.

Thank you for your efforts and as you see today, these are ideas that almost all of our state can get behind.

Thank you, Mr. Chairman, for this opportunity.