

Pacific Outer Continental Shelf Regional Meeting  
Draft Proposed OCS Oil and Gas Leasing Program for 2010-2015

Testimony of Representative Ken Calvert

I want to thank Secretary Ken Salazar for holding today's meeting to discuss the next Outer Continental Shelf (OCS) 5-Year Program. The energy resources along the Pacific Coast have and will continue to play an important role in solving our nation's energy challenges.

Let me begin by saying I place a high value on our nation's coastlines and our environment. As a life-long Californian, I know how important our beaches and coastal environment are to the high quality of life we all enjoy. In fact, I am a member of the Congressional Coastal Caucus, which is a group of Representatives that work towards protecting coastal resources and ensuring important coastal programs are funded adequately.

However, I continue to believe that protecting our coastal resources and reasonably expanding offshore energy exploration and production are not mutually exclusive goals. In general, there are two main concerns when it comes to offshore energy exploration: the visual eyesore of an offshore oil platform and the risk of an oil spill. I agree that both concerns are legitimate and deserve to be addressed.

People live along or visit the coast in order to enjoy the natural setting and environment. For this reason, I generally believe offshore energy exploration should be limited to areas that are beyond the line of sight from the coastline, unless specifically permitted by a state.

Oil spills are another legitimate concern, especially for anyone who remembers the dramatic damage and impacts of the 1969 oil spill off the coast of Santa Barbara. Over the past few decades there has been a significant improvement in oil exploration technology and increased regulatory scrutiny. Today, safeguards such as blowout preventers and automatic shutoff valves are mandatory on all offshore rigs. During Hurricanes Katrina and Rita, these safeguards prevented any major oil spills despite the fact that oil platforms themselves were completely destroyed in significant numbers. According to the U.S. Minerals Management Service, less than .001 percent of the oil produced in U.S. state and federal waters have been spilled over the past 20 years. Interestingly, a National Academy of Sciences report released in 1995 found that far more oil originates from the ocean floor from natural underwater seeps than from offshore production platforms.

I believe the new OCS 5-Year Program should allow for offshore energy exploration in a manner that protects the environment, is beyond the horizon, and gives coastal states more input in the process and a greater share of the royalties. Earlier this year I re-introduced the Maximize Offshore Resource Exploration (MORE) Act, H.R. 797, which creates a new OCS leasing structure that accomplishes all of these objectives. The bill establishes a state's choice on exploration and production by preventing any leases within 25 miles of a state's coastline, unless the state enacts a law approving such leases.

I believe that if coastal states are willing to help produce MORE energy resources, we should reward them with MORE royalty revenue; therefore the MORE Act makes significant changes to the distribution of OCS royalties from oil and natural gas leases. For oil and natural gas leases beyond 25 miles of the coastline, the bill distributes 75% of the royalties to the producing states and the remaining 25% to the U.S. Treasury. If states elect to allow exploration and production within 25 miles of their coastline, then their share of the royalties would increase to 90%.

Offshore energy production is just part of an all-of-the-above energy solution that we need to support in order to increase the production of American-made energy. In addition to the production of traditional energy sources, we must find ways to encourage the production of renewable energy on federal lands on and offshore.

I am confident that we can enact real solutions to our country's energy challenges by taking a comprehensive and balanced approach that utilizes America's natural resources as well as our innovative technologies.