

Opening Statement
The Honorable Ralph M. Hall (R-TX), Full Committee Ranking Member
Energy and Environment Subcommittee Hearing
Deepwater Drilling Technology, Research, and Development
U.S. House Committee on Science
Wednesday, June 23, 2010

Mr. Chairman, thank you for holding this hearing today on deepwater drilling technology, research, and development.

As the response effort in the Gulf enters its third month, we are beginning to get a clearer picture of what went wrong on the *Deepwater Horizon*, and what needs to be done to make sure it doesn't happen again.

I hope and expect the S&T Committee to play an important role in this effort, particularly as we inform and contribute to the legislative package that the House will pursue in July.

This package may seek to address and provide guidance on whether or not a short term or permanent moratorium on deepwater drilling is necessary. As is evidenced by yesterday's granting of injunctive relief by the United States District Court for the Eastern District of Louisiana, suspending the enforcement of the Administration's 6 month moratorium, more time is needed to craft a reasoned and measured response and solution to this incident and others like it. It's important to remember that prior preparation and understanding provide the best foundation for long term solutions.

The economic impact of the moratorium would be deep and lasting. Thousands of people have lost their jobs already, and an estimated 40,000 additional jobs hang in the balance as the uncertainty associated with the moratorium remains unsettled.

Beyond jobs, the moratorium would also introduce significant new environmental risks. The enormous global demand for drilling rigs would be likely to result in their departure from the Gulf to other countries, increasing U.S. dependence on imported oil—and on oil tankers, which are much more prone to spills than undersea pipelines.

The moratorium would also drive skilled workers off of the rigs and into onshore jobs, meaning that a high percentage of new, less experienced workers will be responsible for operations when drilling resumes.

These events related to the moratorium would appear to *increase*, not decrease, environmental risks, while inflicting economic damage on the people of the Gulf that would rival—if not surpass—that caused by the spill itself.

I hope that today's hearing will be informative in this regard, and I am pleased that we have some of the world's leading drilling technology experts before us. I hope the witnesses can help the Committee better understand the contributing factors to the *Deepwater Horizon* disaster,

particularly as it relates to the soundness of the drilling technology itself, versus the practices governing its use and application.

The evidence gathered thus far indicates that technology concerns may not have been at issue; rather, it seems a failure to follow industry wide best practices created an environment ripe for a blowout. If this is indeed the case, it is my hope that these procedural shortcomings can and will be quickly addressed. I have heard from experts in the well intervention and oil spill containment fields that state of the art technology currently exists in the form of state of the art vessels and systems designed to respond to such situations, and now finally being used to contain the BP spill. In discussions with these experts it has been noted that a missing piece of effective oil spill policy is planning for containment. I am interested in hearing more about how these technologies can be incorporated into the process so effective planning for containment becomes the norm.

Regardless of the ultimate causes of and best responses to the disaster, it makes sense to continue pursuing improvements to deepwater drilling architectures and systems, which will only increase its safety.

In 2005, I led creation of a program to do just that at the Department of Energy. Known as the “Section 999” or “Ultra-Deep” program, it supports cutting-edge technology through a collaborative effort between DOE and industry into safe and environmentally responsible offshore and onshore oil and gas development.

The program has been a success—its contributions to deepwater drilling technologies are helping us recover energy supplies that we knew existed but were unable to access. This has returned significant benefits to taxpayers in the form of domestic jobs and affordable energy, as well as increasing royalties to the fund that pays for the program in the first place.

Unfortunately, and despite the program’s strong record of support in Congress, the Administration has repeatedly called for its termination, and also zeroed out funding for oil and gas R&D within the fossil energy program at DOE.

I think this represents a clear mis-prioritization, and I hope the Administration will reconsider its position in light of the Section 999 program’s potential to advance safe and environmentally responsible drilling.

Unfortunately, the Administration inexplicably backed out of its commitment to testify before our committee at the last minute, so we won’t get a chance to discuss its position on Section 999 today.

I thank the witnesses that kept their commitments for appearing before us today, and I look forward to the testimony and discussion.

I yield back.