ENERGY AND MINERAL RESOURCES SUBCOMMITTEE HEARING

PROTECTING COASTAL COMMUNITIES FROM OFFSHORE DRILLING

Testimony by Congressman Francis Rooney

Chairman Lowenthal, Ranking Member Gosar, Congressman Cunningham and Members of the Committee, thank you for allowing me to present H.R. 205, the Protecting and Securing Florida's Coastline Act. This simple bill makes the moratorium on offshore drilling in the Eastern Gulf of Mexico permanent. It was enacted in 2006 and unless this bill is passed, will expire in June 2022.

Offshore drilling is an existential threat to our tourism and recreational economy. Tourism is highly competitive and any conditions or circumstances which could, however remote or mistaken, give rise to

the possibility of a spill or other adverse impact to the West Coast of Florida as a result of drilling and exploration in the Eastern Gulf create these existential threats to us. Just this past year, Florida passed a Constitutional Amendment banning offshore drilling. This amendment netted over 5 million votes statewide and passed with 68.9% of the vote. Fishing, tourism, and recreation account for $37.4 billion in GDP, including $17.5 billion just from the Gulf coast, and supports over 600,000 jobs. Following the Deepwater Horizon disaster, the west coast of Florida faced lost economic value for commercial and recreational fishing and cancelled trips from the panhandle to Southwest Florida despite minimal direct impacts to our coastline. As the Gulf Restoration Network study,

attached here for the record, shows, there are continual spills in the gulf. The Taylor Energy leak, for example, has released approximately one million gallons of oil over the last 14 years. Even Shell, a good operator, had a spill from a 'Jumper' pipeline as recently as 2016 that dumped 1,900 barrels of oil in to the Gulf. The following year, LLOG had a similar leak from a 'Jumper' pipeline that dumped as much as 9,350 barrels of oil. And this is not to mention the bentonite and other chemicals which are released in the water while drilling. The Pew Research study, attached here as well, describes monitoring of adjacent waters for trace metals and chemicals. Every well is connected to a pipeline undersea, hard to

inspect and monitor. Spills happen at these connections and go undetected.

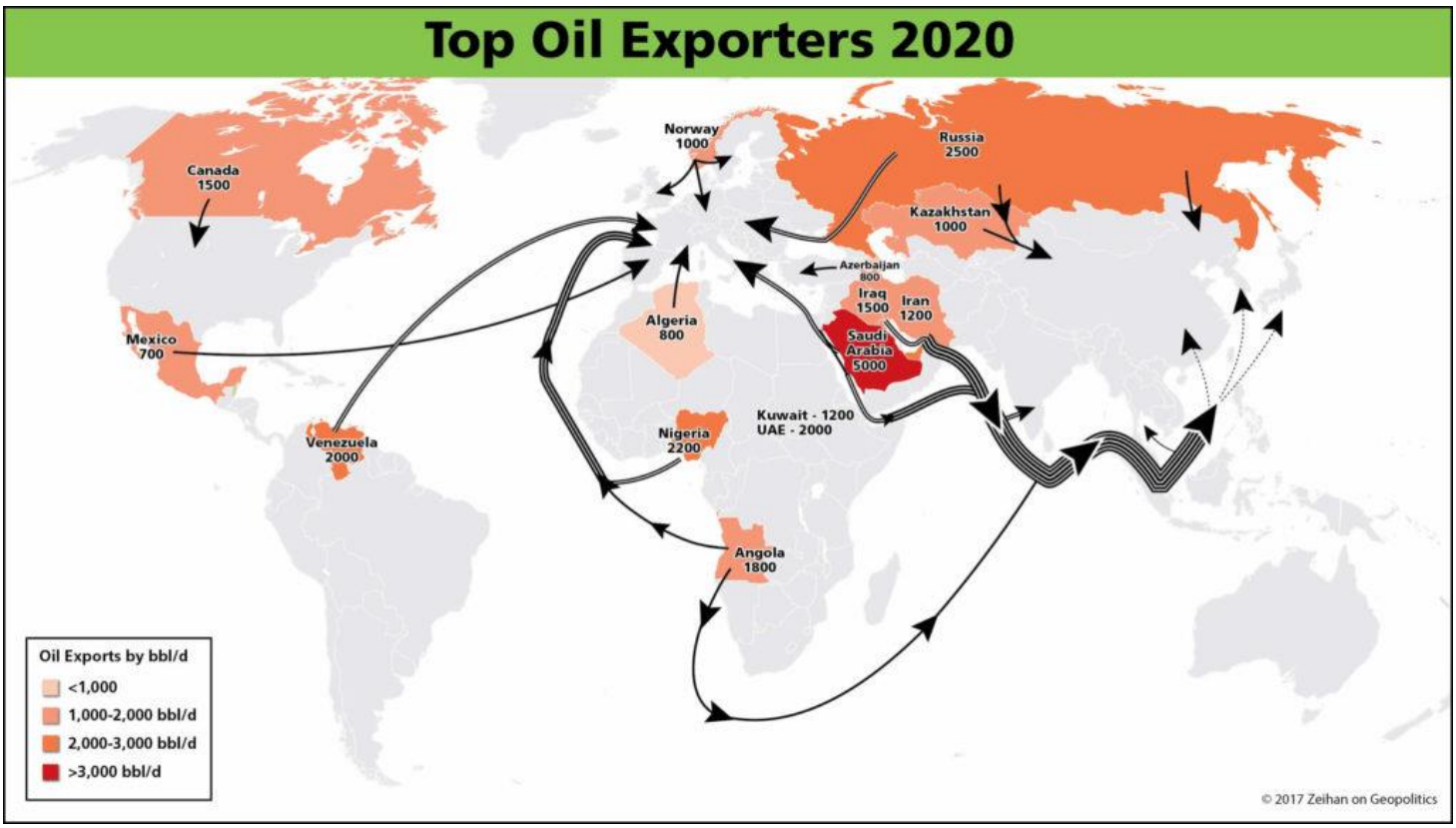
All this is aside from the pernicious threats onshore infrastructure would engender if drilling were anywhere near our coast. Tank farms, moorings and docks, with huge bollards, offshore supply vessels and barges, etc. are wholly incompatible with our tourist economy and abundant estuaries and mangrove barriers, which are crucial to combat the threat of Sea Level Rise.

In addition to the serious economic risks, the United States does not need to trash the Eastern Gulf to be energy secure. Just yesterday the Wall Street Journal

ran an article that we have now tied Russia and Saudi Arabia for exports of crude at approximately 10mm barrels a day. As the Export-Import charts show, attached for the record, we are energy independent and net exporters. The exploration of shale deposits, via horizontal drilling coupled with hydraulic fracking, have revolutionized the energy industry. Further, there is just not enough oil in the Eastern Gulf to justify the threat to Florida. The major activity right now is offshore Mexico and south Texas. This independence in the United States is augmented by significant discoveries around the world, like offshore Israel, Sakhalin and even a revival of North Sea exploration.

Once again, our American free enterprise system has brought the competitive innovation to energy to change the game. By drilling 2 miles vertically and then 2 miles horizontally, bending the well bore at 2 degree increments to ultimately reach the 90 degree turn, while staying within a 30-50’ band of shale deposits is a major technological breakthrough. In the Permian Basin of West Texas, for example, there are three shale zones. Just one, the Wolfcamp, is said to contain 20 billion barrels of oil and natural gas liquids. Yes, Billion.

We have more reserves in the United States now than Russia or Saudi Arabia have in conventional reserves. We are projected to see a radical shift to energy independence as the below map shows.



The industry admits this and is planning for it. In an interview in Fortune Magazine in January 2018, Ben van Beurden, the CEO of Shell, said “global demand for gasoline and diesel fuel will peak as early as a decade from now and certainly by 2030.” Any leasing undertaken after the existing moratorium expires in

June 2022 would not even be in production before massive “decarbonization” has set in. Shell’s latest Gulf of Mexico project, “Vito”, first designed as a 40,000-ton platform in 2014 has been downsized to 20% of its original design, to 8900 tons. According to the company, there is great internal doubt about whether to even build this. Shell, like other majors, is rapidly shifting to natural gas and shedding its most expensive-to-produce oil assets, like the Canadian tar sands. This is not germane for this hearing, but abundant natural gas is also a strategic asset for the United States vis-a-vis our adverseries like Russia. More natural gas to Europe means independence from Russia.

In addition to the compelling economic case for making the drilling moratorium in the Eastern Gulf permanent, taking the risk entirely off the table for Florida, which Florida as our third biggest state with 21 million people living there certainly deserves, is strong, the Eastern Gulf is home to the Gulf Test Range, a 120,000 square mile range that stretches from the Florida Panhandle to the Keys. This unimpeded training and testing area are crucial national security assets that cannot be carried out anywhere else in the United States. The vast size allows the testing of hypersonic weapons, combat maneuvers training, drone testing, and untold future operations of weapons and platforms that will not only

need space for testing, but restricted access areas for classified operations.

Florida is home to the largest air force base we have, Eglin, covering 640 square miles. The most critical training and testing is based here. Next door is Hulbert field, where the rapid deployment force is based. Nearly every night Blackhawk helicopter sorties are flown out of Hulbert into the testing range. At Boca Chica, on Key West, we have Naval Air Station Key West, where similar testing and training in the range is conducted by the Navy. Of course, everyone is familiar with MacDill and the important US Central Command (USCENTCOM), US Special Operations Command (USSOCOM), US Marine Forces Central Command

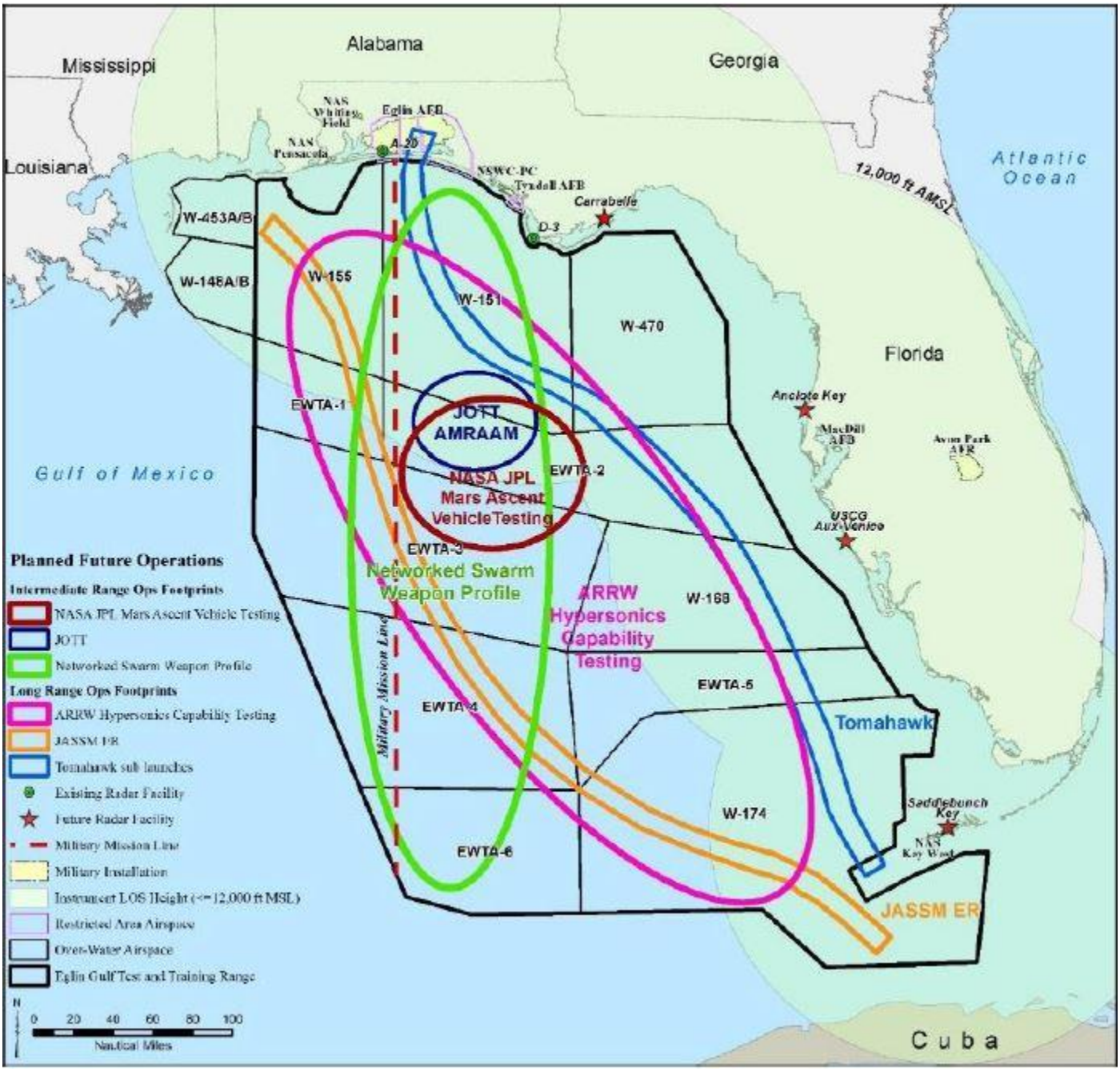
(USMARCENT), and US Special Operations Command Central (USSOCENT) commands based there.

In May 2018, the Department of Defense published a report, "Preserving *Military Readiness in the Eastern Gulf of Mexico."* This report examines the ongoing operations of the Gulf Test Range, its current inability to co-exist with oil and gas operations, and its projected usage of the Range which suggests increasing its size to accommodate advancing technologies. Specifically, the study states:

> "The eastern Gulf of Mexico (EGOMEX) is an irreplaceable national asset used by the Department of Defense (DoD) to develop and maintain the readiness of our combat forces and is critical to achieving the objectives contained in the 2018 National Defense Strategy. The unique capabilities present in

the region have been developed over decades through the investment of billions of taxpayer dollars and countless hours of effort by federal, state, and private organizations and local citizens. No other area in the world provides the U.S. military with ready access to a highly instrumented, network-connected, surrogate environment for military operations in the Northern Arabian Gulf and Indo-Pacific Theater. If oil and gas development were to extend east over the MML, without sufficient surface limiting stipulations and/or oil and gas activity restrictions mutually agreed by the DoD and Department of Interior (DoI), military flexibility in the region would be lost and test activities severely affected."

Additionally, the below map shows the current and projected uses for the Gulf Test Range with the majority of the activity along the Military Mission Line at longitude 86 deg 41 minutes – the western edge of the area under moratorium.



In closing Chairman Lowenthal, Ranking Member Gosar, Congressman Cunningham and Members of the Committee, I appreciate your consideration of H.R. 205

to protect Florida from the menace of offshore drilling and eliminate the threat.