

**Chairman Alan S. Lowenthal**  
**Statement and Script**  
**Energy and Mineral Resources Subcommittee Legislative Hearing**  
**Fossil Fuel Fiscal Reform Bills: H.R. 2711, H.R. 4346, H.R. 4364, and H.R. 4435**

**September 24, 2019**

The Subcommittee on Energy and Mineral Resources will come to order.

Today the Subcommittee is meeting to hear testimony on four bills that make long overdue reforms to the federal laws that govern oil, gas, and coal development on public lands.

Under Committee Rule 4(f), any oral opening statements are limited to the Chairman and the Ranking Minority Member or their designees.

I ask unanimous consent that all other Members' opening statements be made part of the hearing record if they are submitted to the Subcommittee Clerk by 5:00 pm today. Hearing no objection, so ordered.

I also ask unanimous consent for Congressman McAdams to sit on the dais and participate in this morning's hearing. Hearing no objection, so ordered.

First, I would like to welcome our witnesses and particularly thank those of you who traveled great distances to be here today.

This Congress, the subcommittee has held hearings on how fossil fuel development impacts air quality, tribal communities, water resources, and the climate, and how the Trump administration steamrolls public input throughout the leasing process.

But a critical topic we have not addressed – until today – are the sweetheart deals that oil, gas, and coal companies receive when operating on public lands.

The bills on this morning's agenda will close longstanding industry loopholes that have allowed fossil fuel executives to reap enormous profits while failing to pay their fair share and failing to cover cleanup costs.

H.R. 2711, Congresswoman DeGette's Methane Waste Prevention Act, requires the Interior Department to reduce the waste of natural gas from venting, flaring, and leaks from operations on public lands.

Methane emissions from oil and gas sites are a wasted resource, and the pollution harms local health and contributes to climate change.

At last Thursday's hearing, Congressman Westerman submitted into the record GAO's 2019 "High-Risk" report to support a bill under consideration.

That same GAO report identified Interior's 2018 rollback of the BLM methane rule as an action that hurts the government's ability to collect the royalties it's due.

So, I want to thank my colleague for highlighting GAO's impartial work that calls for BLM to reduce methane waste from public lands.

H.R. 4346, my Bonding Reform and Taxpayer Protection Act, increases minimum oil and gas bonding amounts and requires they be adjusted regularly for inflation.

Bonds held by BLM are essential to clean up orphaned wells, and for ensuring that taxpayers don't pay for industry's mess.

Last week, GAO released a report finding that bonds held by BLM are insufficient to reclaim wells on public lands and that the public could be on the hook for millions of dollars in reclamation costs.

Minimum bond amounts have not increased since 1960, and GAO says these bonds must be increased if they are to reflect the actual costs of restoring the

land to its original condition, which we are regularly told by industry that it is committed to doing.

H.R. 4364, the Taxpayer Fairness for Resource Development Act, is a bipartisan bill introduced by Congressman McAdams and Congressman Rooney that updates the archaic royalty rate, minimum bid, and rental rates that companies pay when extracting public resources from public land.

The royalty rate for onshore oil and gas has not increased in nearly a century, even as western states have increased theirs and companies have made greater and greater profits.

Increasing the royalty to match what companies pay to drill offshore will generate millions of more dollars that states can spend on infrastructure and education and will return millions of more dollars to U.S. taxpayers.

Furthermore, the minimum bid amount has not kept pace with inflation over the last 30 years, and oil and gas companies can currently lock up public land all for the price of a cup of coffee.

That's actually an out-of-date metaphor. Coffee is often way more expensive than locking up public lands.

Once again, the GAO has a substantial body of work on these issues and has consistently found failure to increase these rates has deprived taxpayers of billions of dollars.

H.R. 4435, Congressman Cartwright's Coal Cleanup Taxpayer Protection Act, prevents coal companies from self-bonding, a risky tactic that leaves taxpayers exposed to cleanup expenses when companies go bankrupt.

With cheap natural gas driving coal companies out of business, GAO has recommended ending self-bonding, so local communities and taxpayers are protected from the consequences of bankruptcies.

As we speak, public lands are being exploited energy companies, while taxpayers are being shortchanged.

Considering the Trump administration's desire to drill on as much land as possible, these four bills have never been more necessary than they are today.

With that, I want to thank each of the bill sponsors, and I look forward to the testimony from our witnesses.

I now recognize Ranking Member Gosar for his opening statement.