

# **Chairman Manchin's Opening Remarks — Hearing to Examine the President's Budget Request for the Department of the Interior for Fiscal Year 2023**

## **Introduction**

- The committee will come to order.
- This morning the Committee will be discussing the President's proposed FY 2024 budget for the Department of the Interior and other items within its purview.
- I'd like to welcome Secretary Haaland and Deputy Secretary Beaudreau back to the Committee, as well as Interior Budget Director Denise Flanagan.
- Thank you for joining us this morning.
- To set the scene, I think it's important to note for context that Congress provided the Department an additional \$48.1 billion in the last 19 months, including \$47.3 billion in targeted investments through the Bipartisan Infrastructure Law and Inflation Reduction Act and a \$779 million dollar increase in annual appropriations last year.
- Now, the administration is requesting \$18.9 billion for FY 2024 for the Department, a \$2 billion or 12 percent increase over FY 2023 appropriations.
- I look forward to hearing the justifications for such large increases on top of historic funding.
- I also look forward to a robust discussion on the state of our leasing programs.

- I firmly believe that we and our allies are going to need fossil fuels for the foreseeable future – and that robust and continued leasing by the Department are a key part of that effort to maintain U.S. leadership and energy security.
- Unfortunately, the administration’s actions and the President’s own statements indicate a desire to tamp down on oil and gas leasing.
- In fact, just last week the White House Press Secretary clearly said the administration doesn’t like the provisions in the IRA that, and I quote, “don’t have anything to do with clean energy.”
- I assume she’s referring to the mandated offshore oil and gas leases I included, as well as the requirement that oil and gas leasing take place before renewables leasing can.
- If that’s the case, let me first state for the record that American oil and gas is certainly “clean energy” compared to what the administration is considering importing from Venezuela, and morally cleaner than lifting sanctions on Iran.
- But I also have to assume she’s referring to these fossil provisions because internal Interior documents from the Alaska lease sale made clear that the administration manipulated the law to discourage oil and gas interest.
- In fact, they said, in black and white, that they chose a higher royalty rate to discourage energy production at the expense of Alaskan energy security.

- That's simply unconscionable to me, especially as the administration is hypocritically happy to target producers for not producing more, while pursuing a regulatory environment and efforts designed to kill the industry by a thousand cuts.
- The truth is, we can produce cleaner energy than anywhere in the world, and that production can help bring down our own energy costs and support our friends and allies.
- And this also provides needed revenue for both federal and state governments.
- In fact, the most recent sale mandated by the IRA set records for high bids and brought in \$263 million dollars.
- Let's be clear - we would not be setting bidding records if there was no need for oil and gas well into the future.
- I have been very vocal about how concerned I am that we are still waiting for the next 5-year offshore program of oil and gas lease sales, and the Department has said that a final program is not expected until December.
- We have never even had a gap between programs before, let alone the year-and-a-half delay we're expecting now.
- In fact, we talked about this exact issue at this same hearing a year ago.
- The lack of progress with this program, combined with the lack of advance preparation for 2024 sales, unfortunately sends the signal that you have no intention of holding ANY offshore lease sales in 2024 after the final mandatory sale in September 2023.

- I know this administration has a big goal set for offshore wind and onshore renewables – goals that are reliant on continued oil and gas leasing.
- So let me remind you that those are unattainable if you don't do your jobs.
- I will be watching extremely closely to ensure you faithfully execute the law, as required not only by the IRA, but also by the Mineral Leasing Act, to ensure that on and off-shore oil and gas leasing continues and federal renewable development only occurs if those requirements are met.
- Getting back to the budget — while we are being asked to fund new initiatives, we are still waiting on Interior to comply with requirements in existing law.
- With agency leadership lamenting the lack of staff and agencies missing statutory deadlines, you would think that the Department would be putting its resources towards meeting existing statutory requirements and deadlines.
- For example, two different requirements of the Bipartisan Infrastructure Law are now 6 months overdue – one to improve permitting of critical minerals and the other to implement carbon sequestration on the Outer Continental Shelf.
- Instead, the Department is prioritizing new administration-developed initiatives.
- In my view, Interior's failures to comply with laws Congress has passed is not a question of funding — it is a question of misplaced priorities or perhaps a willingness to ignore certain requirements.

- Madam Secretary, I raised this issue with you at last year's budget hearing. Then in December we talked about it with Mr. Beaudreau in our committee's infrastructure implementation hearing, after additional deadlines were missed.
- So I'm disappointed that here we are again today, having the same conversation again, and I am eager to hear from you about how you justify this 12 percent increase when the Department hasn't completed the tasks at hand but for which funding was provided.
- I also look forward to talking about the Department's role in permitting and changes needed to the permitting process.
- I think we can all agree that the five years or more it often takes major energy or mining projects to get a permit in this country is not acceptable.
- Although let me note that I was very happy to see approval for the Willow project after long last.
- This pace is clearly too slow to achieve any of our goals, whether it be energy and supply chain security, reducing emissions, or reinvesting in communities impacted by the energy transition.
- I look forward to hearing how DOI is deploying its existing resources and current tools to help tackle this issue, while acknowledging that significant permitting reforms will have to come from Congress.

- Secretary Haaland, when it comes to these energy and mineral programs that are so crucial to our energy and national security, I must say that for the last few years it has felt like we are repeating the same conversation over and over again.
- I'm tired, and I know other members of this committee are tired of asking again and again when we will see progress on an action required by law and being told "soon" or "we are working on it".
- We need, and deserve, better answers than that, especially given the importance of so much of what the Department of the Interior does.
- So, I am hoping we can have a productive discussion today, and actually get some detailed answers.
- Now I will recognize Senator Barrasso for his opening statement.
- Next, I'll turn to you, Secretary Haaland, for your statement.
- Thank you, Secretary Haaland. Now we'll begin with questions.