

**Opening Statement: Full Committee Hearing on S.812/H.R.1613 –
To Approve the U.S.-Mexico Transboundary Agreement
October 1, 2013
Senator Lisa Murkowski**

Thank you, Mr. Chairman, for scheduling this hearing on legislation pending before the committee to approve and implement the U.S.-Mexico Transboundary Agreement. I also want to thank our distinguished witnesses for being here today. I look forward to listening to your perspectives on these two bills.

I view this agreement as an important step toward greater North American energy security. The Congressional Research Service says that the U.S. and Canada are “joined at the well” when it comes to energy, and I believe we should strive for the same relationship with Mexico. Though we are strong trading partners and tied economically, more cooperation and integration is necessary to reach this goal.

Energy is already flowing between our two countries. Though crude oil production in Mexico continues to decline, Mexico remains one of the top exporters of crude oil to the U.S., and we are Mexico’s largest supplier of petroleum products. We are also sending increasing volumes of natural gas by pipeline to Mexico. Approval of the Transboundary Agreement will allow this relationship to continue and grow.

The agreement lifts the moratorium on oil and gas leasing in the Western Gap and provides legal certainty for development along the entire transboundary area. This will open access to over a million new acres on the Outer Continental Shelf, hundreds of millions of barrels of oil, billions of cubic feet of natural gas, and lead to new jobs and revenues. The agreement also encourages the promotion of common safety and environmental standards, though each country retains authority over activity in their respective waters.

Both of the bills authorize the Secretary of the Interior to approve unitization agreements to develop oil and gas resources in the transboundary area; disclose information necessary to implement the agreement and manage development; and to participate in and implement dispute settlements.

This agreement was signed by Mexico and the U.S. on February 20, 2012 and ratified by the Mexican Senate two months later. More than a year later, we have yet to do our part. It’s time we act to approve the agreement and provide the Interior Department the necessary authorities to implement it.

There are some differences between the bills before us today, primarily related to scope beyond the U.S.-Mexico Transboundary Agreement. I welcome your thoughts on these provisions.