

Opening Statement: Full Committee Hearing on S.1273, the FAIR Act
July 23, 2013
Senator Lisa Murkowski

Thank you, Mr. Chairman, for scheduling this hearing on the FAIR Act. Providing revenue sharing for my state and all coastal states has been a priority of mine for many years, and I appreciate your willingness to help me move this issue forward. This has been a joint effort with my colleague, Senator Landrieu, so I also thank her for her help in advancing this bill that I know is also very important to Louisiana and the other Gulf states.

We have a great panel of witnesses today, including Mayor Charlotte Brower from the North Slope Borough in Alaska. I know how much of a sacrifice it is to leave the state during the summertime, especially during the whaling season, and I appreciate you coming down here to provide the Alaska perspective. Thanks to the rest of you as well for taking the time to share your views on the FAIR Act.

I have to say: I was very disappointed to read the Administration's testimony opposing the FAIR Act. I believe it completely missed the point of our bill and efforts to move it forward.

The FAIR Act is about bringing parity to the federal revenue sharing program, both onshore and offshore. Our bill extends the Outer Continental Shelf revenue sharing program to all coastal states where oil and natural gas development may occur. It also extends the onshore and offshore revenue sharing programs to include alternative and renewable sources of energy. So when I say there is something in this bill for every state, I mean it. And since it was first introduced, we have stated our desire to work with the Administration, our colleagues here on the committee, and others to ensure that. This is why the Administration's opposition and apparent disinterest in working with us on this bill – as expressed in the written testimony we received – strikes me as disingenuous.

I do hope I have misread the Administration's position, that the hearing today is only the beginning of our discussion on these issues, and that the Administration will work with us as we move this bill through the legislative process.

There has been a lot of discussion about the benefits that flow to coastal states and communities from offshore energy development, but not much about the impacts to these areas that results from this development. As we will hear from Mayor Brower, Mr. Dupre and Ms. France, the importance of – and need for – revenue sharing for our coastal states and communities is clear. These funds are absolutely critical for infrastructure to support offshore energy activity, emergency and oil spill preparedness and response capabilities, mitigation and restoration projects, and to meet increased demands on public services. This list is not exhaustive – revenue sharing is vital for these areas to adequately respond to all sorts of impacts associated with enormous influxes of people and equipment.

I also believe the FAIR Act supports the energy and conservation goals supported by the Administration. First, it provides states with the incentive to support clean energy projects by requiring them to set up funds for programs related to alternative and renewable energy, energy efficiency, energy research and development, and conservation – if they want to receive additional revenues from energy development on the Outer Continental Shelf. Second, it provides a dedicated revenue stream to the Land and Water Conservation Fund. I know of no other funding source today that can provide this level – and a stable level – of revenues to the LWCF.

I'd be remiss if I did not mention concerns raised about the "costs" associated with our bill. Frankly, I think this is a somewhat short-sighted view of its benefits – including increased revenues and new jobs – that flow to the federal government and our economy from increased offshore energy development. States and communities will have less incentive to support this development if they are expected to shoulder risks and absorb impacts with no revenue sharing. That may be the reason why some wish to stop our bill from passing but if it is, I hope we will hear it admitted plainly. And I would also remind the Committee that Senator Landrieu and I are committed – as we have been from the beginning – to finding acceptable offsets for this bill.

To sum up, coastal states and communities are impacted by and share the risks of energy development off their shores, just like states with development on federal lands within their borders. It is only fair that they be similarly treated. And, given the impacts associated with commercial development of alternative and renewable energy sources both onshore and offshore, it is only fair that states also share in these revenues.

I look forward to this hearing and our discussion on these important issues.