

Opening Statement of Chairman Ron Wyden

U.S. – Mexico Transboundary Hydrocarbon Agreement

Tuesday, October 1st 2013

The Committee will come to order. The purpose of today's hearing is to consider legislation to implement the U.S. - Mexico Transboundary Hydrocarbon Agreement. I want to thank all of our witnesses first of all for appearing today.

For the first time in over half a century the U.S. and Mexico are entering into a robust energy partnership between our two nations. Hopefully this momentum will extend to other areas of trade, investment, mutual cooperation, renewing the North American alliance, and strengthening our economies.

The Transboundary Hydrocarbon Agreement will provide a way for the United States and Mexico to pursue the joint development of shared energy resources. This agreement resolves claims to a dispute area in the Gulf of Mexico so the energy resources can be developed and the benefits can be shared by both nations.

On a recent visit to Mexico, Vice President Biden spoke of the need for a stronger Western Hemisphere and the special role North America is going to play, particularly the partnership between the United States and Mexico. He said, "we are grounded in a common border, common culture, common values, common dreams, and common potential." In that view, that we are here today to review legislation to implement the U.S.-Mexico Transboundary Agreement.

Our country and Mexico have been working since the 1970's to provide a joint legal framework for shared resources. Such an agreement will help to grow our domestic energy supplies, ensure responsible resource management, strong environmental protection, and mutual assurance of regulatory and safety standards.

I'm of the view that this Agreement does just that.

The agreement encourages joint development of shared reservoirs and individual development by U.S. and Mexican companies. Further the Agreement gives legal certainty to U.S. companies to explore joint ventures with Mexico's national oil company, requires joint safety inspection teams, and calls for the adoption of common safety and environmental standards.

The agreement will make nearly 1.5 million acres of the Western Gap of the Outer Continental Shelf available. The Bureau of Ocean Energy Management estimates these acres could contain up 172 million barrels of oil and 304 billion cubic feet of natural gas, making the U.S. less dependent on foreign sources of oil and gas.

The Mexican government has acted quickly to fulfill their obligation to enact the Agreement by ratifying it on April 12, 2012 and signing it into law that year. In addition to approving the Agreement, the Mexican government under the leadership of President Enrique Pena Nieto has gone a step further, undertaking domestic energy reform by proposing constitutional changes for the first time since 1960. The proposed reforms would work to strengthen Mexico's energy sector by boosting investment and production.

It is the hope that, through this Agreement and the proposed energy reforms in Mexico, that the energy revolution the U.S. is currently experiencing can extend throughout the Western Hemisphere. This would make our region more competitive and less reliant on politically tumultuous states for obtaining energy.

Before concluding I would like to take a moment to thank the Department of the Interior, Department of State, the Mexican Embassy and all staff for their diligent work and professionalism while that made it possible for Committee staff to write S.812 and in putting together today's hearing.

If the legislation the Committee is considering is not signed into law before mid-January, the moratorium in the Western Gap of the Gulf of Mexico would expire which may result in the damaging and loss of shared resources. That is why the Committee feels it is important to move quickly.

It is my hope that we not only will be able to quickly move but also pass clean legislation to approve this time sensitive Agreement and not become bogged down in debate that is not relevant to this Agreement. We need to keep in mind the importance of this Agreement and continue to work with Mexico to ensure a strong partnership, and begin the important work of integrating and creating a strong North American energy economy.

Now let me turn to Senator Murkowski for any opening comments she would like to make.