

Frank W. Wagner
Senator
Senate Of Virginia

Testimony
Before the Subcommittee on Energy and Mineral Resources of the
Committee on Natural Resources
United States House of Representatives

Oversight Hearing on the Minerals Management Service's Proposed Five
Year Program for Oil and Gas Leasing for Years 2007-2012
June 28, 2007

SEN. FRANK WAGNER, 7TH DISTRICT, SENATE OF VIRGINIA
TESTIMONY—HOUSE NATURAL RESOURCES SUBCOMMITTEE ON
ENERGY AND MINERAL RESOURCES
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Thank you, Chairman Costa, Congressman Pearce, for inviting me to testify before you today regarding the Mineral Management Service's Five Year Program for Oil and Gas Leasing for the Years 2007-2012, specifically the decision to include Virginia as a possible site for offshore exploration and recovery of natural resources. Since Virginia remains a possible offshore site in the program, two key points of interest to the Commonwealth are a correction to the mapping of Virginia's offshore boundaries and the development of a revenue-sharing plan as the program is implemented.

In my vision, the recovery of offshore natural resources is just one component of a broad-based energy plan that emphasizes conservation measures as we increase energy supplies to meet demand. The best energy policy for the nation is, to the maximum extent possible, Americans producing energy from American resources for use by American industries and in American homes. While I had hoped Congress would put forth this policy that has not yet happened. Thus, we in Virginia took it upon ourselves, through the newly created Virginia Energy Plan, to ensure that Virginians will produce our energy from Virginia resources for use by Virginia's industries and citizens. Virginia's approach is two-fold. We will take the lead in conservation efforts and in developing clean, cutting-edge energy sources for Virginia's future energy needs.

To that end, Virginia has adopted Renewable Portfolio Standards and we will continue to move aggressively in our conservation efforts, which include constructing green buildings and mandating that a percentage of energy used by state government come from renewable resources. Unfortunately, many of the very same environmental groups that demand the development of non-fossil fuel energy sources use every opportunity to block renewable energy projects in Virginia.

In my position as an elected official in Virginia, I pledge to do all in my power to position the state as the nation's leader in energy development, given the access and supply of natural resources available in the Commonwealth. Our offshore resources are a key component in Virginia's energy future. A reliable and affordable source of clean-burning, environmentally friendly natural gas will assist in the near term as we develop alternative energy sources for future use.

Hurricane Katrina illustrated—in stark relief—the extreme vulnerability of Virginia’s energy supply, because we have only one natural gas pipeline supplying the entire economic structure in the Commonwealth. We as policy makers now know that the supply of natural gas, which is absolutely essential to the economy, is so fragile that it can be totally compromised by an act of nature or perhaps by an act of terrorism. To leave our citizens in such an exposed posture is inexcusable. As long as I am fortunate enough to serve the Commonwealth, I will work to ensure that our citizens are not at risk of losing their jobs or the well-being of their families because we are unable to guarantee an available energy supply.

Mr. Chairman, as you may know, the largest single consumer of natural gas east of the Mississippi River is located in Hopewell, Virginia. Honeywell produces the necessary ingredients for fertilizer and many plastics—the basics for agriculture and manufacturing. I have spent the last two years touring manufacturing plants in Virginia. We have hard-working, union employees who are producing paper, wood products, trucks, pharmaceuticals, fertilizer, and plastics—products essential to a vibrant economy in Virginia. One common link in all of these plants is the need for reliable and affordable natural gas, which powers industry but also serves as a key component in many of the manufacturing processes.

Mr. Chairman, I have fought, and will continue to fight, to put infrastructure in place for Virginia to tie in to the liquid natural gas terminal in Cove Point Maryland. I have fought, and will continue to fight, to add an additional LNG terminal in Virginia. I have fought, and will continue to fight, to open up the waters off Virginia’s coast for exploration and recovery of natural gas. All of these efforts are to ensure reliable, affordable energy resources, which in turn support business and industry in Virginia so that any Virginian who wants a job will be able to work and contribute to our nation’s economy.

I applaud the Department of the Interior’s Minerals Management Service for listening to Virginia over the last three years, during which the Virginia General Assembly, in a bipartisan effort, overwhelmingly supported legislation to open our coast. Keeping Virginia in the five year program is consistent with the desire of the Virginia General Assembly and over 70% of the people in Tidewater, Virginia, who have voiced firm support for offshore exploration and drilling off Virginia’s coast in polls conducted by several elected officials. 75% of Americans, in polling done by MMS during the development of the five-year program, also supported offshore efforts.

Mr. Chairman, I hope Congress will respect the will of the General Assembly and the people of Virginia and allow Virginia to continue in the Department of the Interior's Minerals Management Service's 2007-2012 program.

In closing, Mr. Chairman, I believe of all the problems facing our nation, energy represents the biggest challenges, potential crises and threats to our economy, foreign policy and national security. But, Mr. Chairman, energy also represents the greatest opportunities to put Americans to work and reinvigorate the economy. Unlocking untapped resources, expanding proven technology and empowering the brain trust in our research facilities will move us to the next generation of energy resources. There must be a paradigm shift in the way our nation operates. Congress can, and must, seize this opportunity to move the nation forward to true energy independence.

Mr. Chairman, Mr. Pearce and members of the subcommittee, thank you for allowing me to speak today on behalf of the citizens of the Commonwealth of Virginia.