EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 25, 2013
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1613 – Outer Continental Shelf Transboundary Hydrocarbon Agreements Authorization Act
(Rep. Duncan, R-SC, and 17 cosponsors)

The Administration supports the goal of H.R. 1613 to provide Congressional approval of the Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico and to authorize the Secretary of the Interior to take the actions necessary to implement the Agreement. Implementation of the Agreement would establish a framework for the cooperative exploration and development of oil and gas reservoirs that cross the international maritime boundary between the two countries in the Gulf of Mexico and would make nearly 1.5 million acres of the Outer Continental Shelf, currently subject to a moratorium under the Western Gap Treaty, immediately available for leasing.

However, the Administration cannot support H.R. 1613, as reported by the House Committee on Natural Resources, because of other unnecessary, extraneous provisions that seriously detract from the bill.

Most significantly, the Administration strongly objects to exempting actions taken by public companies in accordance with transboundary hydrocarbon agreements from requirements under section 1504 of the Dodd-Frank Act and the Securities and Exchange Commission's Natural Resource Extraction Disclosure Rule. As a practical matter, this provision would waive the requirement for the disclosure of any payments made by resource extraction companies to the United States or foreign governments in accordance with a transboundary hydrocarbon agreement. The provision directly and negatively impacts U.S. efforts to increase transparency and accountability, particularly in the oil, gas, and minerals sectors.

The Administration looks forward to working with the Congress to enact implementing legislation that would focus on the U.S.-Mexico Transboundary Agreement, without the inclusion of extraneous and unnecessary provisions. The Department of the Interior estimates that the transboundary area subject to the Western Gap Treaty moratorium contains as much as 172 million barrels of oil and 304 billion cubic feet of natural gas. Implementing this Agreement will offer significant opportunities for responsible and efficient exploration and development of hydrocarbon resources in an expanded area along the U.S.-Mexico maritime boundary as well as significant new opportunities for U.S. companies.

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