

National Oil Spill Commission Report (Senate)

Witnesses

The Honorable Bob Graham

Co-Chair, National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling

The Honorable William K. Reilly

Co-Chair, National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling

Committee Members Present

Jeff Bingaman, Chairman (D-NM)

Lisa Murkowski, Ranking Member (R-AK)

Ron Wyden (D-OR)

John Barrasso (R-WY)

Mark Udall (D-CO)

Mary Landrieu (D-LA)

Maria Cantwell (D-WA)

Jeanne Shaheen (D-NH)

The Senate Committee on Energy and Natural Resources held a hearing on January 26, 2011 to review the final report by the National Oil Spill Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling. The Oil Spill Commission (OSC) released *Deep Water: The Gulf Oil Disaster and the Future of Offshore Drilling* on January 11, 2011.

In his opening statement, Chairman Jeff Bingaman (D-NM) thanked the committee for their efforts. He addressed the tragic nature of the oil spill and the need to address the aftermath, saying “this is not just a Louisiana problem. This is America’s problem.” While he stressed the importance of enhancing safety systems, Bingaman said that “no one can doubt the need to continue to produce domestic oil and gas.”

Ranking Member Lisa Murkowski (R-AK) began her statement announcing a goal for the committee to ensure three things: that no victim of a spill ever goes uncompensated; that taxpayers are never held responsible for a company’s damages; and that choices are made to preserve and promote the offshore industry. She discussed the negative impact of the administration’s moratorium on offshore drilling on industry workers and the economy, noting that the economies of Louisiana and Alaska are similarly dependent on tourism, the seafood industry and oil and gas development.

OSC Co-Chair Bob Graham went over the commission’s findings regarding response and containment efforts, emphasizing the overall lack of preparedness from the industry and the government, and discussed suggestions for long-term restoration of the Gulf of Mexico. Graham said Congress should administer eighty percent of the fees collected from Clean Water Act penalties for Gulf restoration. “These resources...belong to all of us. They belong to the American people,” said Graham.

Fellow Co-Chair William Reilly discussed the proposed restructuring of the Bureau of Ocean Energy, Management, Regulation and Enforcement (BOEMRE) and the safety suggestions from the commission, including the creation of an industry-run safety agency. He spoke of the need for international agreements and discussions on offshore safety with countries like Mexico and Cuba, who work in the Gulf, and Russia and Denmark, who plan to drill in the Arctic.

Though the commission recommends funding the additional regulatory procedures with portions of fees that drilling companies

pay for federal leases and from new fees that could be imposed, Senator Mary Landrieu (D-LA) cautioned against allocating more fees. She suggested that instead funds be taken from the \$7 billion a year the industry contributes to the treasury in royalties, bonuses and severance taxes.

Several senators expressed concern about the ability to have a productive oil and gas offshore drilling industry in the midst of stricter standards and new requirements. Landrieu lamented that no deepwater drilling permits have been issued since the accident and stressed the issue of “getting people back to work.” Senators John Barrasso (R-WY) and Mark Udall (D-CO) declared their disapproval of a moratorium on offshore drilling. “Shutting down oil and gas operations would be a wrong choice,” said Barrasso. Reilly assured the committee that the commission is against a blanket moratorium, supports investing in Arctic development and understands the importance of the oil and gas industry. “We vitally need the resources of offshore oil and gas,” he said.

Graham highlighted the fact that the commission wants future decisions to be “rooted in the best science.” Senator Maria Cantwell (D-WA) asked how the National Oceanic and Atmospheric Administration (NOAA) will give input on environmental considerations concerning leasing decisions. Graham explained that with past onshore and shallow water drilling projects, the areas have been largely well understood, but in deepwater, the geology and pressure can vary from place to place significantly. NOAA can help “bring to bear the best science within and outside the government to make decisions”, according to Graham. In response to Senator Jeanne Shaheen’s (D-NH) comments on oil spill research, the witnesses discussed a few areas that should be explored. Instead of undertaking ‘crisis research’, ‘anticipatory research’ focusing on what information will be needed five to ten years from now should be the goal, according to Graham. Such unknowns that need clarifying are the fate of dispersants, especially in cold Arctic waters, and the impacts of the spill on Gulf wildlife such as blue fin tuna.

The witnesses urged that it would be a shame to let years go by without achieving progress in research, restoration and technology development. Udall agreed that the tragedy could be looked at as an opportunity to spur restoration in the Gulf and follow up on research ideas and said he plans to introduce legislation to expand research and development in the federal and private realms.

Testimony from the chair, ranking member and panelists can be found at the committee web page, as well as a video archive of the entire hearing.
