

National Oil Spill Commission Report (House)

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

Doc Hastings, Chairman (R-WA)

Edward Markey, Ranking Member (D-MA)

John Fleming (R-LA)

Donna Christensen (D-VI)

Steve Southerland (R-FL)

Jeff Denham (R-CA)

Henry E. Brown, Jr. (R-SC)

John Sarbanes (D-MD)

Mike Coffman (R-CO)

Ben Lujan (D-NM)

Tom McClintock (R-CA)

Chuck Fleischmann (R-TN)

Dan Boren (D-OK)

Raul Grijalva (D-AZ)

Doug Lamborn (R-CO)

Frank Pallone (D-NJ)

Don Young (R-AK)

Jeff Landry (R-LA)

David Rivera (R-FL)

Glenn Thompson (R-PA)

The House Committee on Natural Resources held a full committee oversight hearing on "The Final Report from the President's National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling" on January 26, 2011. The National Oil Spill Commission (OSC) released their final report, *Deep Water: The Gulf Oil Disaster and the Future of Offshore Drilling*, on January 11, 2011.

Chairman Doc Hastings (R-WA) focused on the issue of domestic oil and gas production and its effect on job creation and national security in his opening statement. "The right response to this spill is to focus on making drilling safe, not making it impossible," he said. Hastings warned that shutting down America's oil and gas drilling is not the best way to react to the disaster. He said that the committee's responses to the spill can determine whether the offshore industry can continue to produce "American-made energy" or if the country will "lock up its resources" and increase its dependence on foreign oil.

In his opening statement, Ranking Member Edward Markey (D-MA) stressed that he and the committee must "assess the lessons to be learned with open minds, and commit ourselves to fundamental reform with firm resolve." He explained that it is a time for

bold reforms and that the committee must not miss the opportunity for substantial change.

William Reilly, co-chair of OSC, reviewed the safety and regulatory reforms suggested by the commission. He described the recommended independent safety agency and restructuring of the Bureau of Ocean Energy, Management, Regulation and Enforcement and mentioned the need for international discussion on offshore drilling standards in the Gulf and Arctic with other countries. Reilly explained that the funding needed for reforms is small compared to oil and gas revenues and the cost of the disaster.

OSC co-chair Bob Graham described the overall failure by BP and the federal government to effectively respond to the spill, saying neither group was prepared nor equipped. He stated the commission's suggestion that Congress provide adequate and sustained funding for oil spill response and research. He charged Congress with the responsibility to dedicate 80 percent of the fines collected for Clean Water Act penalties to Gulf restoration, explaining that since offshore drilling is conducted on public lands, the government acts as landlord and must protect the assets that belong to all Americans.

Several representatives complained that the commission did not wait for test results on the failed blow-out preventer from the Macondo well to publish their report. Reilly defended the commission's decision and explained that the report describes several other errors and mistakes that led to the accident. "We know enough. We know what happened," he said.

Democrats and Republicans from states with economies heavily reliant on the oil and gas industry expressed concern over avoiding a moratorium and returning employees to work. "I'm worried about this country," said Don Young (R-AK) in regards to the ability to develop domestic fossil fuel sources. Reilly assured him that the commission specifically recommends against a drilling moratorium in Alaska, but that research should be done to increase understanding of the area. "In respect to oil and gas, we need the resource," he said. John Fleming (R-LA) explained that Louisiana has lost jobs since the accident and asked if additional legislation will slow the offshore permitting process. The primary reason for current issuing delays is that drilling companies have not met standards incorporated into permit applications, said Graham. Proper funding is the only way to make progress on the permitting and regulating processes, according to Reilly.

A few representatives addressed the issue of company liability following a spill. Dan Boren (D-OK) asked if the commission had investigated if smaller drilling companies will have difficulty getting insurance plans if there is no cap on liability. The commission has suggested raising the maximum value a company would be required to pay after a spill, but they avoided setting an amount because they did not want to inhibit small business operations and did not consider themselves experts in that category, said the co-chairs.

Graham and Reilly mentioned several times that offshore drilling, compared to onshore and shallow water drilling, is in riskier and less understood areas, with greater pressure and more complex geology. Basic research must be done in preparation for disasters instead of after catastrophe strikes, said Graham. Both witnesses stressed the fact that improvements must be made on spill and containment technologies, noting that virtually no advancement has been achieved in that field since the 1989 Exxon-Valdez oil spill.

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.
