



# Clean Energy Jobs<sup>and</sup> Oil Company Accountability Act

## Reasons to Oppose S. 3643

Senate Republicans have responded to disaster in the Gulf of Mexico by introducing legislation that would bail out BP for the disaster it caused, fails to create a single job, and does nothing to reduce the nation's addiction to oil.

This document details the faults of Senator McConnell's bill.

### ***Liability Protection***

1. **Provision:** Senator McConnell's bill does not apply to the Deepwater Horizon disaster (Section 201).
  - ✓ **Consequence:** Exposes American taxpayers to the possibility of paying for the billions in economic damages caused by the Deepwater Horizon disaster and leaves the fishermen, hotels and other coastal tourism-related small businesses without the certainty of knowing BP will compensate them for their damages.
2. **Provision:** Senator McConnell's bill does not apply to existing companies holding leases to drill for oil on the Outer Continental Shelf (Section 201).
  - ✓ **Consequence:** Exposes American taxpayers to the possibility of paying for the billions in economic damages that could be caused by future oil spills and fails to ensure oil companies will be required to compensate the businesses and economies that are damaged by an oil spill for more than \$75 million in losses. Does nothing to reduce the risk of a future oil spill because there is no incentive to invest in safety for existing operations.
3. **Provision:** Senator McConnell's bill establishes a complicated, bureaucratic mechanism for the President to establish liability limits for new leases based on a set of criteria designed to protect oil companies, not innocent victims (Section 201).
  - ✓ **Consequence:** Subjects victims to the discretion of a future President instead of providing certainty and making clear that the damages from an oil spill will be compensated.



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4. **Provision:** Senator McConnell's bill provides that, if an incident results in damages beyond the liability limit set, the excess claims up to \$20 billion would be paid by all other entities operating on the OCS (on the date of the incident), proportional to their number of "facilities" they operate on the OCS compared to the total number of OCS facilities (Section 201).

- ✓ **Consequence:** Places an excessive financial burden on independent operators that are more likely to be engaged in multiple, smaller wells, while larger integrated oil companies have very limited offshore "facilities" that are much larger in size and produce more oil than the small wells.

## ***Job Creation***

5. **Provision:** Senator McConnell's bill does not contain a SINGLE job creating provision.

- ✓ **Consequence:** Ignores the opportunity to create jobs in construction and manufacturing. The Home Star program in the *Clean Energy Jobs and Oil Company Accountability Act* proposed by Senate Democrats would create 168,000 jobs.

## ***Outer Continental Shelf Drilling***

6. **Provision:** Senator McConnell's bill rescinds the temporary moratorium on deepwater drilling (Section 301).

- ✓ **Consequence:** Increases the chances of deepwater oil spills because the Bureau of Ocean Energy is still completing their analyses and development of offshore safety practices following the Deepwater Horizon disaster, including:
  - Formal well-control guidelines and fluid displacement procedures;
  - New requirements for evaluation of cement integrity and cementing best practices;
  - Adoption of a final rule requiring operators to adopt a robust safety and environmental management system for offshore drilling operations;
  - Formal, standardized safety training and certification requirements for all offshore oilfield workers;
  - Formal equipment certification requirements for blowout prevention equipment and emergency systems; and
  - Developed formal personnel training requirements for casing and cementing operations.



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## ***Oil Spill Liability Trust Fund***

7. **Provision:** Senator McConnell's bill purports to rely on the Oil Spill Liability Trust Fund to cover additional damages that exceed a responsible party's liability cap and a limited pool of industry funds. However, the bill caps the fund at \$10 billion and would not even provide a way for the Trust Fund to cover \$10 billion in losses (Sec. 201, Sec. 211).
  - ✓ **Consequence:** If used as a backstop for the Deepwater Horizon spill, the Fund would have been bankrupt weeks ago. A backstop without resources is not a backstop at all. Senator McConnell's bill allows the responsible party for any future oil spill to pass the costs of the spill off to the taxpayer.

## ***Deepwater Horizon Families & Transocean Liability***

8. **Provision:** Senator McConnell's bill does not contain a SINGLE provision that updates antiquated maritime and liability law so the families of the eleven people killed on the Deepwater Horizon could be compensated.
  - ✓ **Consequence:** Denies the families of the eleven people killed on the Deepwater Horizon from receiving compensation for pain, suffering, and emotional trauma.
9. **Provision:** Senator McConnell's bill does not contain a SINGLE provision to update the 1851 law that Transocean is attempting to use to limit its liability to \$27 million for the Deepwater Horizon disaster.
  - ✓ **Consequence:** Gives Transocean the ability to continue to seek to limit its liability to \$27 million, despite the fact that the explosion claimed eleven lives.

## ***Oil Dependence***

10. **Provision:** Senator McConnell's bill does not contain a SINGLE provision to reduce the nation's dependence on oil.
  - ✓ **Consequence:** Extends the nation's addiction to oil even longer and weakens the nation's economy.



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## Side by Side Comparison of S. 3663 and S. 3643

Provision	Democratic Bill	Republican Bill
1. BP Bailout?	<b><u>Holds BP Accountable</u></b> Liable for Economic Damages (Section 102)	<b><u>Bails Out BP</u></b> Preserves Meager \$75M Cap (Section 201)
2. \$20 Billion Big Oil Bailout?	<b><u>No Such Provision</u></b>	<b><u>SPILLS OVER \$20 BILLION PAID BY SMALL OIL COMPANIES</u></b> (Section 201)
3. Creates Jobs?	<b><u>Home Star</u></b> 168,000 jobs (Secs. 2001-2005)  <b><u>Natural Gas Vehicles</u></b> 100,000 direct manufacturing jobs (Secs. 3001-3016)	<b><u>NO JOB CREATING PROVISIONS</u></b>  <b><u>KILLS JOBS GUTS THE RECOVERY ACT</u></b> (Section 236)
4. Saves Consumers Money?	<b><u>Home Star</u></b> \$200 to \$500 in annual savings on energy and water bills (Division C)	<b><u>NO PROVISIONS TO SAVE CONSUMERS MONEY</u></b>



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5. OCS Drilling?	<b><u>Allows Investigation to Continue</u></b>	<b><u>RESCINDS TEMPORARY MORATORIUM</u></b> (Section 301)
6. Protects the Environment?	<b><u>Land and Water Conservation Fund</u></b> \$5 billion for land and water resources (Division D)	<b><u>NO PROVISIONS</u></b> <b><u>TO PROTECT THE ENVIRONMENT</u></b>
7. Deepwater Horizon Families?	<b><u>Fair compensation for Families</u></b> Updates antiquated maritime laws (Secs. 501-505)	<b><u>NO PROVISIONS</u></b> <b><u>TO COMPENSATE FAMILIES</u></b>
8. Transocean Liability?	<b><u>Repeals 1851 Law</u></b> Updates antiquated maritime laws (Secs. 501-505)	<b><u>NO PROVISIONS</u></b> <b><u>TO REPEAL OBSOLETE 1851 LAW</u></b>
9. Reduce Oil Consumption?	<b><u>Natural gas and electric vehicles</u></b> \$5 billion to deploy clean vehicles (Division E)	<b><u>NO PROVISIONS</u></b> <b><u>TO REDUCE OIL CONSUMPTION</u></b>