

Statement of Chairman Edward J. Markey (D-MA)

Hearing on Drilling Down on America's Energy Future, Safety Security and Clean Energy

**Subcommittee on Energy and Environment
House Committee on Energy and Commerce**

June 15, 2010

57 days ago, in the dead of night, the worst environmental nightmare in U.S. history began.

On a screen here and in homes across the country, we now see the live video of tens of thousands of barrels of oil billowing into the Gulf every day.

For years, the oil industry swore this could never happen. We were told that technology had advanced, that offshore drilling was safe.

BP said they didn't think the rig would sink. It did.

They said they could handle an Exxon Valdez-sized spill every day. They couldn't.

BP said the spill was 1,000 barrels per day. It wasn't. And they knew it.

Now the other companies here today will contend that this was an isolated incident. They will say a similar disaster could never happen to them.

And yet it is this kind of Blind Faith -- which is ironically the name of an actual rig in the Gulf -- that has led to this kind of disaster.

In preparation for this hearing, the committee reviewed the oil spill safety response plans for all of the companies here today.

What we found was that these five companies have response plans that are virtually identical. The plans cite identical response capabilities and tout identical ineffective equipment. In some cases, they use the exact same words.

We found that all of these companies, not just BP, made the exact same assurances.

The covers of the response plans are different colors, but the content is ninety percent identical.

Like BP, three other companies include references to protecting walruses, which have not called the Gulf of Mexico home for 3 million years.

Two other plans are such dead ringers for BP's that they list a phone number for the same long-dead expert.

The American people deserve oil safety plans that are ironclad. Not boilerplate.

We now know the oil industry and the government agency tasked with regulating them determined that there was a zero chance that this kind of undersea disaster could ever happen.

When you believe that there is zero chance of a disaster happening, you do zero planning. And the oil industry has invested nearly zero time and money into developing safety and response efforts.

The oil companies before us today amassed nearly \$289 billion dollars in profits over the last three years. They spent \$39 billion to explore for new oil and gas.

Yet the average investment in research and development for safety, accident prevention, and spill response was a paltry \$20 million per year.

The oil companies may think it's fine to produce carbon copies of their safety plans, but the American people expect and deserve more. It is time to expect more from the oil industry. And it starts today.

First, Congress must ensure that there is unlimited liability for oil spills by oil companies. While we try to cap this well, we must lift the cap on oil industry liability.

Second, Congress must also enact wide-ranging safety reforms for offshore drilling. If oil companies are going to pursue ultra-deep drilling, we must ensure it is ultra-safe and companies can respond ultra-quick.

Third, the free ride is over. Oil companies need to pay their fair share to drill on public land. Right now every single one of the companies here today and dozens of others are drilling for free in the Gulf of Mexico on leases that will cost American taxpayers more than 50 billion dollars in lost royalties.

Fourth, we must ensure that new technologies are developed for capping wells, boosting safety and cleaning up spills. I will soon introduce the Oil SOS Act to ensure we have 21st century technologies in place for 21st century drilling risks.

And finally, America must move to a safer clean energy future so we don't have to rely as much on oil to power our cars and our economy.

The American people deserve answers from the oil industry and I look forward to the testimony of our witnesses. I'd now like to recognize my distinguished colleague from Michigan, Mr. Upton.