

ONE HUNDRED ELEVENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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MEMORANDUM

June 4, 2010

To: Members of the Subcommittee on Oversight and Investigations
Fr: Committee on Energy and Commerce Democratic Staff
Re: Hearing on “Local Impact of the Deepwater Horizon Oil Spill”

On Monday, June 7, 2010, at 10:00 a.m. in Chalmette, Louisiana, the Subcommittee on Oversight and Investigations will hold a field hearing entitled “Local Impact of the Deepwater Horizon Oil Spill.” The hearing will be held in the Council Chambers of the St. Bernard Parish Government Complex, 8201 West Judge Perez Drive, Chalmette, Louisiana. The hearing will examine the effects of the Deepwater Horizon oil spill on the communities and environment of the Gulf Coast region.

I. BACKGROUND

On April 20, 2010, at about 10 p.m., an explosion occurred on the Deepwater Horizon oil drilling rig in the Gulf of Mexico. There were 126 people on board at the time. Fifteen of those on the rig were injured; eleven people died. The Deepwater Horizon, owned by Transocean Ltd., was under contract with BP to drill an exploratory well. BP was the lessee of the area in which the rig was operating. At the time of the explosion, BP and Transocean were in the process of temporarily closing the well, in anticipation of returning it to commercial production. Another company, Halliburton, had completed some cementing operations in the well less than 24 hours prior to the accident. The U.S. Coast Guard responded to the explosion and fire.

On April 22, 2010 at 10:22 a.m., a second explosion caused the Deepwater Horizon to sink into the Gulf of Mexico, taking with it a riser pipe which remained attached to the blowout preventer at the wellhead. The riser pipe, which normally goes from the wellhead to the drilling ship, broke as the Deepwater Horizon sank.

On April 24, 2010, remotely operated vehicles (ROVs) inspected the capsized rig on the sea floor and found two oil leaks from the well pipe along the sea floor. The initial

estimate was that up to 1,000 barrels of oil a day could be leaking into the water. This estimate was later revised to be at least 5,000 barrels per day. On April 28, 2010, a third leak was discovered. On May 5, 2010, BP announced that it had stopped the flow of oil from one of the three leak points.

On May 2, 2010, BP began drilling the first deep-water intercept relief well to intercept the existing wellbore. BP estimates this process will take at least 90 days.

Since the explosion, BP has made various attempts to stop the oil from leaking into the water. To date, none of these efforts has substantially halted the flow of oil into the water. Currently, an estimated 12,000 to 19,000 barrels of oil is leaking into the water each day.

Approximately 1,005,00 gallons of oil dispersants have been released into the Gulf of Mexico – 759,000 gallons on the surface of the water and 245,000 gallons subsea. Oil dispersants released onto the surface of the water are used to break the oil into smaller droplets that sink below the surface of the water. Oil dispersants used at the subsea level reduce the amount of oil that reaches the surface of the water. The oil and the dispersants used to treat the oil are toxic to some marine organisms. The dispersants can also cause dermal and respiratory problems for workers exposed to them.

On May 20, 2010, the U.S. Environmental Protection Agency (EPA) issued a directive requiring BP to identify and use a less toxic dispersant. On May 22, 2010, BP responded that it could not find an effective alternative on the EPA-approved dispersant list. On May 26, 2010, EPA issued a directive requiring BP to reduce dispersant application by 75% from the maximum daily amount used.

On June 1, 2010, President Obama called the Deepwater Horizon oil spill “the greatest environmental disaster of its kind in our history.” That same day, U.S. Attorney General Eric Holder announced that the U.S. Department of Justice had launched an investigation into the circumstances surrounding the explosion and oil spill.

II. COMMITTEE INVESTIGATION INTO THE DEEPWATER HORIZON OIL SPILL

In April 2010, the Committee on Energy and Commerce and its Subcommittee on Oversight and Investigations initiated an investigation into the circumstances surrounding the Deepwater Horizon rig explosion and oil spill. On May 12, 2010, the Subcommittee held a hearing entitled “Inquiry Into the Deepwater Horizon Gulf Coast Oil Spill.” During the hearing, several Members expressed concerns regarding the impact of the Deepwater Horizon oil spill on the Gulf Coast region.

Since May 2, 2010, the National Oceanic and Atmospheric Administration (NOAA) has closed portions of the Gulf of Mexico to fishing based on the trajectory of the spill. As of June 2, 2010, 36.6% of the Gulf Coast, an area covering 88,522 square

miles, had been closed.¹ The closure of Coastal areas has had a significant economic impact on the Gulf Coast region. In Louisiana, one out of every 70 jobs relates to the seafood industry, representing over \$2.4 billion dollars in revenues.² Many commercial fishermen, seafood processors, and restaurants can no longer access seafood as a result of the closures.

The Deepwater Horizon oil spill has also impacted Gulf Coast tourism. In Louisiana, 23 percent of tourists who booked vacations to the state have canceled or delayed them because of the oil spill.³ BP has given Florida, Alabama, Louisiana and Mississippi \$15 million to attract tourists and address this reduction in tourism revenues.⁴

Residents and scientists have expressed concerns regarding the environmental and health effects of the oil and the dispersants used as part of the clean-up efforts. As of June 2, 2010, 120 birds and 12 sea turtles were found visibly covered in oil in the Gulf region.⁵ On May 27, EPA Assistant Administrator for Air and Radiation Gina McCarthy expressed concerns regarding air pollution resulting from burning oil and emissions from the clean up and containment efforts.⁶ Experts have also expressed concerns regarding the unknown long-term effects of the oil and the dispersants on humans and animals in the Gulf Coast region.

This hearing will examine the impacts of the Deepwater Horizon explosion and oil spill on residents and communities throughout the Gulf Coast.

IV. WITNESSES

The following witnesses have been invited to testify:

- **Natalie Roshto**
Liberty, Mississippi

¹ National Oceanic and Atmospheric Administration, *Deepwater Horizon/BP Oil Spill: Size and Percent Coverage of Fishing Area Closures Due to BP Oil Spill* (updated June 2, 2010) (online at <http://sero.nmfs.noaa.gov/ClosureSizeandPercentCoverage.htm>).

² Louisiana Seafood Promotion & Marketing Board, *Why Buy Louisiana? Seafood Jobs* (online at http://louisianaseafood.com/seafood_jobs).

³ *Louisiana will launch oil spill-related ad campaign to promote tourism in the state*, The Times-Picayune (May 28, 2010).

⁴ BP, *BP Announces Tourism Grants to Four States* (May 10, 2010).

⁵ Unified Area Command from the U.S. Fish and Wildlife Service et. al, *Consolidated Fish and Wildlife Collection Report* (June 2, 2010) (online at http://www.deepwaterhorizonresponse.com/posted/2931/FWNumbers_WEB_June2_final.582071.pdf).

⁶ *EPA Air Chief Warns Air Concerns Over Oil Spill Should Equal Water*, InsideEPA (May 28, 2010).

- **Courtney Kemp**
Jonesville, Louisiana
- **Acy Cooper**
Vice President
Louisiana Shrimp Association
- **Moby Solangi, Ph.D.**
President and Executive Director
Institute of Marine Mammal Services
- **Kelby Linn**
Owner
ACP Real Estate, Inc.,
Vice President, Dauphin Island Chamber of Commerce
- **Clarence Duplessis**
Braithwaite, Louisiana
- **Wilma Subra**
President
Subra Company