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Lands, Chair
Subcommittee on Water and Power

COMMITTEE ON EDUCATION AND LABOR Subcommittee on Workforce Protections Subcommittee Early Childhood, Elementary and Secondary Education

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The Honorable Nancy Pelosi Speaker of the House U.S. House of Representatives Washington, D.C. 20515

The Honorable Harry Reid Majority Leader U. S. Senate Washington, D.C. 20510

Dear Speaker Pelosi and Majority Leader Reid,

As Chairman of the House Subcommittee on National Parks, Forests, and Public Lands, I have been investigating oil rig safety and environmental standards since before the Deepwater Horizon spill that began April 20 and which continues to threaten the Gulf of Mexico. The public is now fully aware of the lack of regulatory oversight that preceded that spill. Now is the time to solve this problem by setting new federal standards implemented by a federal agency free from conflicts of interest.

Oil drilling is a large industry in this country, and the government has a vital stake in making sure it performs in the public interest. The era of drilling first and asking questions later must come to an end. This Congress has a chance to renew our national commitment to safe, ethical, responsible energy development by passing legislation that sets overall economic and environmental safety ahead of short-term profits. As you continue to develop an energy bill, I would ask you to strongly consider the following measures:

- Removing the oil spill economic liability cap currently included in the Oil Pollution Act
 of 1990, as my recently introduced HR 5355 would do. This is a crucial step to ensuring
 responsible behavior.
- Mandating the development of more stringent equipment standards at all offshore oil rigs.
 Existing regulations rely on industry-developed "best practices" that have obviously failed.
- Eliminating the use of categorical exclusions. Any future proposed drilling permit must be accompanied by a full environmental impact statement under the National Environmental Policy Act. Anything less invites further corner-cutting.
- Mandating the use of acoustic shutdown switches to prevent spills. The Norwegian government, which has the world's cleanest drilling record, mandates these on all rigs at no expense to the taxpayer.
- Instituting a freeze on foreclosures of businesses, homes and other private property harmed by the Deepwater Horizon spill. New legislation should ensure that BP in this

instance, and the responsible party in any future instance, bears the costs associated with late penalties on mortgage payments and business and private loans, as well as other economic damages caused by the spill above and beyond wage losses.

- Mandating the submission of a comprehensive spill response plan before any future drilling permit is granted. All existing wells should be required to submit a similar plan as soon as possible. Currently, oil company assurances that a spill is "unlikely" are enough to satisfy regulators that a well is safe. BP's inability to deal with Horizon in a timely way brings this lax standard, and the response plans that do exist, sharply into question.
- Directing MMS, or the agency that takes its place in the wake of the recently announced reformation at the Department of the Interior, to create stringent new ethics rules that eliminate potential conflicts of interest. This should be accompanied by an annual review of enforcement performance, tied to specific benchmarks, by the DOI inspector general.
- Instituting a regularly scheduled full inspection of all wells in the Gulf of Mexico by MMS or its successor agency. The first such inspection should begin immediately, because the risk of a second catastrophic spill cannot be ignored or left to chance.

These common-sense changes should have been made long ago, and now that we have an opportunity to pause and reexamine our approach to drilling, the time is right to make sure the economy, environment and livelihoods of the American people never suffer another Deepwater Horizon. If we pass a small bill that gives the appearance of addressing oil spill liability without really addressing the systematic problems that led us to this point, we'll just be back here in another 20 years wondering why we didn't get it right the last time.

I thank you for your attention in this matter and look forward to hearing your thoughts.

Respectfully,

Rep. Raúl M. Grijalva

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Member of Congress

CC: Nick Rahall, Chairman, House Committee on Natural Resources Henry Waxman, Chairman, House Energy and Commerce Committee Jeff Bingaman, Chairman, Senate Committee on Energy and Natural Resources Barbara Boxer, Chairwoman, Senate Committee on Environment and Public Works