

Dissenting Views
H.R. 1229: Putting the Gulf of Mexico Back to Work Act

We oppose H.R. 1229 because it would impose artificial and arbitrary deadlines on the Department of the Interior to approve permits to drill. One year after the BP Deepwater Horizon spill, this legislation could actually make offshore drilling less, rather than more, safe by potentially limiting the review of drilling permits by the agency charged with overseeing the industry.

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 people were injured and eleven workers were killed. The Deepwater Horizon, owned by Transocean Ltd., was under a 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 future, commercial production. Halliburton had completed some cementing of casings in the well less than 24 hours prior to the accident.

On April 22, 2010, the Deepwater Horizon rig sank and two days later, remotely operated vehicles (ROVs) found oil leaking from the broken riser pipe. Ultimately, oil would continue leaking from the Macondo well for 87 days before being capped on July 15, 2010. The government's Flow Rate Technical Group (FTRG) concluded that during that period, oil had been leaking into the Gulf of Mexico at a rate beginning at 62,000 barrels per day and ending at 53,000 barrels per day prior to the well being capped. According to the FTRG, a total of 4.1 million barrels of oil were spilled into the Gulf of Mexico, with an additional 800,000 barrels having been captured aboard containment ships responding to the crisis. The BP Deepwater Horizon oil spill ultimately became the largest offshore oil spill in the history of the United States.

The majority has refused to consider legislation to implement the recommendations of the Independent National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling or to improve the safety of offshore drilling. Representatives Markey, Holt, along with other House Democrats introduced H.R. 501, to implement the recommendations of the BP Commission, on January 26, 2011. The majority has also refused Ranking Member Markey's request to hold hearings with the companies involved in the spill – BP, Transocean, Haliburton and Cameron – or with the largest oil companies that are the industry leaders – Exxon Mobil, BP, Shell, Chevron and Conoco Phillips.

H.R. 1229 would require the Secretary of the Interior to act on a drilling permit request within 30 days. While the legislation would allow the Secretary to twice extend the time period for 15 days, the Secretary would have to provide written notice to the company, which would include “the names and titles of the persons processing the application, the specific reasons for the delay, and a specific date a final decision on the application is expected.”

More troubling, under the legislation, if the Secretary has not made a decision on a drilling permit within 60 days it would be “deemed approved,” whether or not safety or environmental review had been completed. As we learned with the BP Deepwater Horizon disaster, the

oversight and regulation of offshore drilling needs to be more robust. Reducing the safety review done by the Interior Department prior to drilling, as the legislation could do, would make offshore drilling less safe and is the completely wrong legislative response in the wake of the BP spill. Moreover, the majority's legislation could result in more drilling permits being rejected, as the Interior Department may be forced to reject permits if the safety and environmental review has not been completed, rather than allowing them to be deemed approved.

While this legislation contains some vague language on safety, requiring the Secretary to ensure that the proposed drilling operations "meet all critical safety system requirements, including blowout prevention and oil spill response and containment requirements," it would not require anything more than what the Interior Department is already doing.

In addition, the problem the majority purports to be addressing with this legislation -- the speed of permitting in the Gulf -- is one that does not even exist. Following the temporary pause on deepwater drilling last year, which Secretary Salazar lifted on October 12, 2010, the oil industry was not able to demonstrate that it possessed the capacity to contain a deepwater blowout until February 2011. Once oil companies demonstrated they had the capability to contain a blowout, the first deepwater drilling permit was issued 11 days later, on February 28, 2011. There have now been a total of 10 deepwater drilling permits issued since that time. In addition, the Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEMRE) has also approved 39 shallow-water permits since last October, nearly matching the average from before the spill.

This legislation also includes provisions that would limit judicial review of all energy projects in the Gulf of Mexico. Title II would require all litigation to be held in the 5th circuit court, require that any challenge be filed within 60 days, and prohibit the awarding of any attorneys' fees, expenses or other court costs. These provisions represent a massive overreach by the majority on the Natural Resources Committee and are not even within the jurisdiction of the Committee.

Democrats offered a number of amendments to this legislation designed to improve the safety of offshore drilling. Each amendment was rejected with all Republican Members of the Committee voting no. Representative Holt offered an amendment that would have struck the language in H.R. 1229 deeming drilling permits approved after 60 days. This amendment would have improved the safety of offshore drilling by ensuring that permits are not issued without environmental review. Representative Garamendi offered an amendment that would have implemented a recommendation of the National Commission on the BP Deepwater Horizon Disaster and Offshore Drilling, that any industry safety organization be separate and apart from the American Petroleum Institute (API), which is the trade association that advocates for the oil industry.

Finally, Ranking Member Markey offered an amendment that would have inserted specific safety requirements for blowout preventers, well design, casing and cementing. This amendment would have improved the safety requirements for offshore drilling based on what we have learned from the BP spill. Similar language passed the Energy and Commerce Committee in the last Congress in a unanimous, bipartisan vote of 48-0. However, all of the Majority members of the Natural Resources Committee voted against this same language.

H.R. 1229 is the exactly wrong legislative response to the BP disaster. Rather than acting to make off-shore drilling safer and smarter, the Majority is moving to make drilling faster and looser. We oppose this effort.

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