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Obama's Compromise on Drilling Pleases No One

By BRYAN WALSH

It is said that politics is the art of compromise, a tactic that ensures both sides go away unhappy. President Barack Obama has proved himself a master of the compromise, at least in his energy and environmental policy — and he is reaping the criticism that comes with it.

On Wednesday morning, March 31, Obama — flanked by his cowboy-hat-wearing Secretary of the Interior, Ken Salazar — announced support for the potential expansion of offshore oil and gas drilling in America. His proposal would open parts of the Atlantic coast, the eastern Gulf of Mexico and parts of the north shore of Alaska to exploration. But it would keep drilling out of Alaska's Bristol Bay, a fertile fishing ground that generates nearly \$2 billion worth of seafood each year.

The move was prime Obama, splitting the differences on a problem that has divided the U.S. right down the middle. Conservatives have long called for opening new territory to fossil-fuel exploration, while environmentalists have opposed it on the grounds that nature must be protected. “We need to move beyond the tired debates of the left and the right, between business leaders and environmentalists, between those who would claim drilling is a cure-all and those who claim it has no place,” Obama said in a speech at Andrews Air Force Base in Washington. “This issue is just too important to allow our progress to languish while we fight the same old battles over and over again.”

The trouble with compromise, however, is that it requires laying down one's arms, and few of those who fight the same old battles have any interest in conceding. They want to win. On Wednesday, environmental groups responded with outrage to Obama's decision, fearing that drilling would damage sensitive marine environments, especially in the vulnerable Alaskan Arctic, a region over which greens have been fighting



An offshore oil rig is seen in the Catalina Channel near Long Beach, Ca.
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oil companies for years. “Today's announcement is unfortunately all too typical of what we have seen so far from President Obama — promises of change, a year of deliberation, and ultimately, adoption of flawed and outdated Bush policies,” said Brendan Cummings, senior counsel at the Center for Biological Diversity, one of the more radical green groups. “Short of sending Sarah Palin back to Alaska to personally club polar bear cubs to death, the Obama Administration could not have come up with a more efficient extinction plan for the polar bear.”

At the same time, conservatives — who were chanting “Drill, baby, drill” two years ago — reacted cautiously, displeased with Obama's declaration that some coastal territory would remain untouched. In addition to Bristol Bay, the Atlantic coast from New Jersey northward would be closed to exploration, as would the entire Pacific coastline. The proposal is a “step in the right direction,” said Senate minority leader Mitch McConnell in a statement, “but a small one that leaves enormous amounts of American energy off-limits.”

Politically, the reaction of conservatives to the President's decision is vital. The White House and its allies in the Senate will be making a renewed push

for climate legislation over the next few weeks, and Obama's support for expansion of oil and gas drilling, along with provisions for nuclear power, could help sway a few Republicans to vote in their favor. But there's no guarantee that will happen. Meanwhile, in opening offshore territory to drilling, which has not happened in decades, Obama has angered green supporters and undoubtedly some Democrats, not to mention politicians — from both parties — who live on the Atlantic coast and worry about the impact of drilling on their lucrative tourism industry.

Still, it's important to put Obama's decision in broader perspective. Any new drilling may not happen for years and is likely to face lengthy legal challenges from environmentalists — as is already the case in Alaska. (Drilling might happen faster off the coast of Virginia, where Republican Governor Bob McDonnell supports oil and gas exploration.) Leases in the vast Beaufort and Chukchi seas, north of Alaska, which had been up for sale under the Bush Administration, will be withdrawn for now while the Interior Department takes another look at the environmental risks of drilling in the delicate Arctic. "We're relieved that the Administration is going to depend on science in making decisions in the Arctic," says Bill Eichbaum, vice president of Arctic and marine policy for the World Wildlife Fund.

Conservatives argue that Obama has left too much oil in the ground, but it should be noted that even greatly expanded offshore drilling is unlikely to make much of a dent in U.S. dependence on foreign oil, nor is it expected to affect gas prices. Last year the U.S. Energy Information Agency estimated that reversing the Bush Administration's decision to expand offshore drilling — policies similar to those proposed by Obama —

would increase oil prices by \$0.11 per barrel in 2020 and \$1.33 a barrel in 2030. Those increases would raise gas prices by less than a tenth of a penny per gallon in 2020 and just three cents a gallon by 2030. Obama acknowledged this in his announcement. "With less than 2% of oil reserves but more than 20% of world consumption, drilling alone cannot come close to meeting our long-term energy needs," he said.

Ultimately, that is what's at stake. Environmentalists may be justified in arguing that a little bit of extra oil simply isn't worth the risks of drilling in vulnerable coastal ecosystems in the Atlantic and the Arctic. But unless we find a way to break our addiction to oil and develop viable, scaled-up energy alternatives, we'll be fighting this same battle over and over again. If environmentalists block oil exploration in the U.S., we'll look for it elsewhere — perhaps in the eastern Amazon, where much of the rain forest is already under oil and gas leases, just waiting to be developed. And the ecological impact could be even worse there, where environmental regulations are far less extensive.

This is no argument for giving oil companies a license to drill wherever they want. Indeed, Alaska is a singular place, and the waters off its north coast are so cold and so rough that any spill might be irrecoverable. What the U.S. needs is alternatives — the only solution that would permanently protect the Arctic and any other vulnerable place cursed with oil. "For the sake of the planet and our energy independence, we need to begin the transition to cleaner fuels now," said Obama. But to make that happen, we need a climate bill — and to pass a climate bill, we may need some offshore drilling. It's far from a sure thing, but it might be the only bargain left to strike.