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Obama assails oil industry's 'cozy relationship' with government

The president says he will 'close the loophole that has allowed oil companies to bypass environmental reviews.' A new effort is underway to stop the Gulf of Mexico leak.

By Margot Roosevelt and Christi Parsons

President Obama on Friday assailed the "cozy relationship between the oil companies and the federal agency that permits them to drill" and declared that permits would no longer be "issued based on little more than assurances of safety from the oil companies."

He said his administration would "close the loophole that has allowed oil companies to bypass environmental reviews" and would launch a new inquiry into "environmental procedures" for oil and gas exploration and development.

The announcement came amid reports that the Minerals Management Service, an Interior Department agency, had exempted hundreds of offshore drilling plans from filing environmental impact statements over the years, including the one for the Deepwater Horizon rig that exploded April 20 in the Gulf of Mexico.

In a brief Rose Garden statement, the president reserved his harshest words for the three companies involved in the accident. Their testimony before Congress this week was "a ridiculous spectacle," Obama said. "You had executives of BP, Transocean and Halliburton falling over each other to point the finger of blame at somebody else."

"The American people could not have been impressed with that display, and I certainly wasn't," he said.

BP engineers, who have struggled for three weeks to control the gushing leak from the company's well, planned to launch a new attempt Friday night. Remote-controlled robots were to insert a 6-inch-diameter vacuum tube into the leaking, 21-inch pipe and funnel the oil to a tanker.

The riser insertion, BP Chief Operating Officer Doug Suttles acknowledged, "is a new idea. But the concept is simple. You take a piece of pipe with a rubber sealing device and push it in as far as possible to capture the oil, and not the water."

The challenge, he added, is that the operation would be attempted at 5,000 feet below sea level, where humans are unable to function, so the company must use machines to perform the delicate maneuver.

If that doesn't work, which will be known "in a day or two," he said, BP will try using a "top hat," a two-ton containment dome that has been lowered onto the seafloor and which is designed to be placed over the leaking pipe to contain the oil and funnel it to the ship.

U.S. Coast Guard Adm. Thad Allen, the national incident commander, sought to dampen expectations. "This is a leak mitigation effort," he said. "It's not intended to completely capture all the oil that's leaking out of there, but it should substantially reduce it if it's successful."

An earlier effort to lower a larger dome over the leak failed.

So far, the spill, which occurred 48 miles off the Louisiana coast, has remained largely offshore, although a scattering of tar balls up to 8 inches in diameter have washed up on the coasts of Louisiana and Mississippi.

Despite calls from some Congress members to halt new offshore drilling, Obama did not back off his earlier push to expand development. "Domestic oil drilling continues to be one part of an overall energy strategy," he said. But it is essential, he added, that "every necessary safeguard and protection" be put in place.

The administration plans to ask lawmakers to eliminate an industry-friendly deadline, enacted by Congress, that forces the Minerals Management Service to act on exploration plans submitted by oil companies within 30 days. Changing it to 90 days would allow more time for environmental analysis, administration officials say.

Obama's forceful statements seem unlikely to assuage critics. Rep. Nick Rahall II (D-W.Va.) on Friday sent a letter to the President's Council on Environmental Quality asking for all documents related to the "categorical exclusion" that allowed the Deepwater Horizon to start drilling without a detailed environmental review.

And Rep. Edolphus Towns (D-N.Y.), chairman of the House Oversight and

Government Reform Committee, launched an investigation into “potential lapses in oversight by the Minerals Management Service.”

On Friday, the Center for Biological Diversity, a Tucson-based environmental group, sent Interior Secretary Ken Salazar formal notice that it would file suit alleging that, in granting drilling permits, he ignored laws to protect whales and other marine mammals and endangered species.

“Under Salazar’s watch, the Department of Interior has treated the Gulf of Mexico as a sacrifice area,” said Miyoko Sakashita, oceans director for the center. It alleged that

Salazar’s department has approved three lease sales, more than 100 seismic surveys and 300 drilling operations without permits required by the Marine Mammal Protection Act and the Endangered Species Act.

The Interior Department responded that it was “reviewing” the issue of whether the Marine Management Service allowed BP and other oil companies to drill without the required permits.

Controversy also continued over the size of the spill. Outside experts say that video images of the underwater leak show that the flow probably far exceeds 210,000 gallons a day, BP’s estimate. Sen. Bill Nelson (D-Fla.) on Friday

asked BP to bring all video of the leak to a Senate Commerce Committee hearing on the spill Tuesday.

Obama acknowledged “the varying reports” over the size of the leak, adding, “Since no one can get down there in person, we know there is a level of uncertainty.” But, he said, “scientists and engineers are currently using the best, most advanced technology that exists to try to stop the flow of oil.”

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