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Critics blame energy lobby for lax safety rules

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Citing high costs of safety precautions and low risks of spills, energy industry lobbyists and their allies in Washington have molded federal laws and regulations over two decades in ways that may have ultimately proved costly in lives and economic damages.

Federal investigators are just beginning to probe the cause of last month's deadly Deepwater Horizon explosion and the subsequent oil spill in the Gulf. But many lawmakers, environmental groups and political analysts have been quick to point the finger at the energy industry for flexing its political muscles in ways that minimized government regulation, won oil companies waivers from certain federal rules and limited liability in accidents.

Rep. Edward Markey, D-Mass., calls the disaster "a blistering, scalding indictment of the practices the industry engaged in to avoid implementation of safeguards that could have removed the likelihood or possibility of this kind of accident ..."

Even strong supporters of offshore drilling such as Rep. Joe Barton, R-Ennis, say the disaster raises concerns. Barton, the top Republican on the House Energy and Commerce Committee, says that while the industry has a "tremendous track record" for safety, he has questions about the rig's "attention to safety, the attention to maintenance, the attention to using best available control technology and best monitoring practices."

The massive failure — or cascading series of failures — that led to the debacle has shined a Capitol Hill spotlight on the massive amounts of money spent by oil and gas companies on political contributions and lobbying of Congress and federal regulatory agencies.

It also has focused attention on the often-cozy, revolving-door relationship between federal energy regulators and the companies they are assigned to oversee.

Just last year, the oil and gas industry reported spending $169 million in lobbying expenses — nearly eight times the $21.9 million spent by the environmental movement.

BP spent $15.9 million in 2009, ranking it second behind ConocoPhillips, according to the Center for Responsive Politics, a nonpartisan watchdog group.

More drilling a priority

Among BP's priorities was the "American Clean Energy Leadership Act of 2009" that would allow increased leasing in the Gulf and drilling closer to the coast than currently permitted.

Over the past 20 years, the energy industry has pumped more than $500 million into the coffers of candidates and party committees, $334 million in the past decade, with three-fourths of it going to Republicans.

BP political committees and employees have donated more than $6.2 million since 1990. The company often has hedged its political bets: Its top two recipients in 2008, for example, were presidential candidates Barack Obama ($71,051) and John McCain ($36,649). Its top two House candidates were Houston Republican Rep. John Culberson and his Democratic opponent, alternative energy entrepreneur Michael Skelly.

Energy industry officials emphatically deny a link between their political activities and increased safety risks.

"The industry's number one priority is safety," says American Petroleum Institute president Jack Gerard. "Our goal is zero spills, zero injuries and zero fatalities."

Equipment blamed

BP officials say the regulatory environment had nothing to do with the accident. If well shut-off equipment on the seafloor, known as a blowout preventer, had worked properly, the accident would have been avoided, said Bob Fryar, senior vice president of BP's exploration and production in Angola, a deepwater drilling hot spot in southwestern Africa.

In Washington, drilling defenders such as Sen. John Cornyn of Texas concur that this was a "one in a million sort of incident."

But Cornyn, a pro-industry Republican, concedes, "This is one of those incidences that, when it occurs, of course, it changes everything in terms of our perception about the risk and the consequences of failure."

A sign of just how far the political mood in the nation's capital has changed comes from West Virginia

Sen. John D. Rockefeller IV, the great-grandson of the founder of Standard Oil.

"I'm no fan of the oil companies," says the Democrat, whose family once dominated the U.S. drilling scene. "So if (future government action) works out badly for them, I'm probably for it."

Among the regulatory decisions at the center of this political storm:

- The 2003 decision by the Interior Department's Mineral Management Service that remote-control shut-off switches would not be required as a last resort against underwater spills.
- The MMS's failure to suggest other "fail-safe" mechanisms after a 2004 report raised questions about the reliability of the remote-control devices.
- A waiver granted by the Interior Department to BP last year exempting the company from a detailed environmental analysis, concluding the spill risk in that part of the Gulf was "minimal or nonexistent."
- A regulatory mindset during the George W. Bush administration that Democrats say weakened federal oversight of domestic energy producers and encouraged voluntary compliance and adoption of "best practices."
- The 1990 decision by Congress to cap economic damages at $75 million in the wake of the 1989 Exxon Valdez spill.

Environmental groups see a direct relationship between the political spending of the industry and actions in Washington, citing, for example, the 2009 decision to end a two-decade moratorium on new offshore drilling and the damages cap — which could limit Gulf Coast residents' and governments' ability to win compensation from BP for lost profits, destroyed property and lost tax revenues.

The focus of much of today's ire is the Mineral Management Service, an agency rocked by a 2008 inspector general's report detailing sexual relations between some of its executives and energy company representatives, drug use and conflicts of interest.

"My favorite agency," Sen. Bill Nelson, D-Fla., says derisively. "Remember in the Bush administration, these were the guys having sex orgies, and pot parties, and weren't showing up for work."

Reversal questioned

The MMS is under scrutiny for its 2003 reversal of a Clinton-era recommendation to require remote-controlled triggers for activating "blowout preventers" to shut down wells.

Brazil and Norway, require their use, but critics of the devices question their effectiveness and their $500,000 cost.

Nelson has asked the Interior Department to explain the extent of industry influence over MMS decisions on the backup systems. And Rep. Nick Rahall, D-W. Va., chairman of the House Natural Resources Committee, has demanded all documents that might reveal "how MMS made the decision that such devices should not be required."

Complaints about MMS have continued in the current administration. Kieran Suckling, executive director of the Center for Biological Diversity, blames Interior Secretary Ken Salazar for MMS' 2009 decision to grant a waiver allowing the BP drilling that ended in disaster on April 20.

"Instead of conducting environmental reviews, his agency rubber-stamped BP's drilling plan, just as it does hundreds of others every year in the Gulf of Mexico," Suckling says.

Criticism dismissed

Rep. Darrell Issa, R-Calif., sent a letter to Salazar on Monday asking whether the MMS had taken steps "necessary to ensure the safety and operability of vessels drilling in the Gulf of Mexico."

White House press secretary Robert Gibbs dismisses as "silly and ridiculous" any suggestion of a connection between BP's support for Obama's 2008 campaign and the regulatory exemption.

Interior Department spokeswoman Julie Rodriguez acknowledges that questions arose under the previous administration about the relationship between industry and MMS, but says the Obama team is working to "set the agency on the right path, fix problems that arose, and restore the public's trust in the agency that manages offshore energy resources on their behalf."

Brian Petty, executive vice president for the International Association of Drilling Contractors, disagrees with critics' claims either administration eased regulations.

"There has been continuing monitoring," he says. "There has not been an easing of any regulations that had been imposed during the Clinton administration."

Jennifer Dlouhy, Tom Fowler, Brett Clanton, Katie Brandenburg and Diana Carlton also contributed to this report.