The Washington Post

MAY 27, 2010

Obama to extend ban on drilling new deepwater oil wells; Va., Alaska lease sales to be canceled

By Debbi Wilgoren and Michael D. Shear Washington Post Staff Writers

President Obama on Thursday will announce a six-month ban on drilling new deepwater oil wells, the White House said, and cancel plans for exploratory drilling and new lease sales off the coast of Alaska, as well as a proposed lease sale off the Virginia coast.

The clampdown on comes as the president prepares to make public the results of a 30-day safety review of off-shore drilling that was ordered after the calamitous explosion of an oil rig in the Gulf of Mexico. The resulting spill is creating the most serious environmental crisis in the United States in decades.

The latest effort to stop the flow of crude oil into the sea began Wednesday, and officials say they should know by Thursday afternoon whether it is taking effect.

Obama will hold a full East Room news conference on the oil spill Thursday afternoon -- his first such session with reporters in nearly a year.

Despite a massive federal response at the scene, the White House has received withering criticism from all quarters as the sense of frustration with oil giant BP's inability to plug the leak has ballooned. In recent days, the administration has come under increasing pressure to demonstrate that it is fully in control of the situation.

Even Democrats have urged the president to do more, with strategist James Carville, a Louisiana native, telling CNN Wednesday that "the

political stupidity of this is just unbelievable."

Aides insist that the government is doing everything it can to hold BP accountable for the spill and to assist the company's frantic effort to stanch the flow of oil at the bottom of the sea. But from the beginning, Obama officials have been forced to work with BP because the oil company, not the government, has the technology and expertise to work at those depths.

The need to rely on the very company that operated the rig has become a political albatross for Obama, who is likely to respond to questions today about the government's authority over BP and government regulatory efforts going back years. Obama's announcement in March that he supported expanded offshore oil drilling has become a political problem since the explosion.

Early Thursday, an aide speaking on condition of anonymity said Obama will "announce standards to strengthen oversight of the industry and enhance safety, a first step in a process that the independent Presidential Commission will continue."

The commission, the aide said, is charged with determining "how to prevent this from ever happening again."

The aide said the president will announce that he is delaying plans for the Shell Oil Company to conduct exploratory drilling off the coast of Alaska in the Chukchi and Beaufort seas, pending further review by the commission. The president will announce that he is extending an existing moratorium on new drilling by six months.

Obama also will cancel lease sales that had been planned for August off the coast of Alaska and the coast of Virginia, the aide said. The proposed sale in Virginia -- while supported by many state officials -- had drawn concern from environmental groups and the Defense Department, which has a large military presence in the area

Environmentalists praised the decision to delay or cancel plans for new drilling, but the announcement is sure to spark criticism from energy industry officials and their allies, who have argued that the Deepwater Horizon accident does not justify a nationwide ban on offshore oil and gas drilling.

Kierán Suckling, executive director of the advocacy group Center for Biological Diversity, called suspending Shell's drilling permit in Alaska this year "the first thing Ken Salazar has done right in response to the Minerals Management Service scandals."

"We applaud the secretary's decision and hope that he permanently ends all new offshore oil drilling in Alaska. Drilling for oil in icy Arctic waters is like playing Russian roulette," Suckling said early Thursday. "There is no way to clean up a spill there and endangered species such as polar bears, whales, walruses, and seals are already under too much stress."

But Shell officials have argued that they were planning to drill in shallower waters than BP, and therefore should not face the same restrictions.

Staff writer Juliet Eilperin contributed to this report.