

Opening Statement of Rep. Edward J. Markey  
Committee on Natural Resources  
Full Committee Hearing  
On the Bureau of Ocean Energy Management, Regulation and Enforcement  
FY2012 Budget Request  
March 30, 2011

For too long, the Interior Department agency charged with overseeing the offshore oil and gas industry was nothing more than a rubber stamp. The former offshore regulator, the Minerals Management Service – MMS -- came to stand for Malfeasance, Mismanagement and Spills. But under the leadership of Secretary Salazar and Director Bromwich this troubled agency is being completely reformed from a lapdog into a watchdog.

This budget request represents an investment in the safety of our workers, our economy and our environment. We cannot afford to have more lives lost and more livelihoods destroyed because of lax oversight and regulation of the offshore oil and gas industry.

Just last week it was uncovered that the ultimate fail safe device touted by the industry -- the Blowout Preventer -- may be that in name only. The independent contractor for the Interior Department, Det Norske Veritas, concluded that it was the force of the blowout at the Deepwater Horizon that caused the drill pipe to buckle and move and kept the blowout preventer from sealing the well. In other words – the blowout preventer failed BECAUSE there was an actual blowout. Far from being a “failsafe” device as the oil industry claims, it appears that blowout preventers may be “sure to fail” if a blowout is underway.

However, rather than focusing on the need for reform, today we are going to continue to hear the same speed-over-safety mantra from the majority that led to the BP spill. Just yesterday, Republicans introduced legislation that would not make drilling safer and could put our beaches from California to Florida more at risk for another catastrophic spill. When the American people demanded a 'spill bill' following the BP disaster, they didn't mean legislation that could actually increase the chances of another spill occurring.

And the Republican talking points about a “de facto moratorium,” continue to be unsupported by any actual facts. The Interior Department has approved 7 deepwater drilling permits in the last month, exceeding the monthly average in 2009 before the spill. The Department has also approved the first deepwater drilling plan with new environmental review.

Because Republicans continue to block spill safety legislation, I am worried these new permits have been issued not too late, but perhaps too soon. I believe that in light of the questions that now surround the adequacy of blowout preventers to do their job and the failure of this committee and this congress to act, the speed at which we are allowing industry to return to “business as usual” is “risky business.”

Thus far, this committee has not done its job to oversee the safety of offshore drilling. We have not held a single hearing on legislation to improve safety. We have not heard from BP, Transocean, Haliburton, or any of the companies involved in the Gulf spill, despite my request to

for such a hearing. We have not heard from Exxon Mobil, Chevron, Shell, Conoco Phillips or the other companies that are the leaders of this industry on what, if any, safety reforms they are making, despite my request that they testify before this Committee. We have not heard from DNV on their forensic analysis of the BP Deepwater Horizon blowout preventer or from Cameron, the company that makes these devices.

But what we have heard just yesterday in a new report issued by the Interior Department is that oil companies are just sitting on tens of millions of acres of public land, which contain tens of billions of barrels of oil. According to the report, 70 percent of the offshore public land held by oil companies is going unused, matching the average onshore for the past decade. Oil companies have apparently been engaged in a de facto moratorium on new drilling until prices climb even higher. That's why Rep. Holt and I have introduced our USE IT legislation to create incentives for oil companies to drill on the public land and water they already have under lease.

I commend Director Bromwich and Secretary Salazar on the reforms they have already implemented and I look forward to your testimony today.