

United States Senate

WASHINGTON, DC 20510-1804

June 23, 2010

Mr. William K. Reilly
National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling
345 California Street, Suite 600
San Francisco, CA 94104

Dear Chairman Reilly,

As you know, the tragic explosion of the *Deepwater Horizon* took the lives of 11 men and unleashed an uncontrolled torrent of oil and gas into the Gulf of Mexico that threatens the environment and the economy of the Gulf Coast. I applaud the President's efforts to ensure that such a terrible tragedy is prevented in the future.

However, as I have already communicated to President Obama, the blanket moratorium on deepwater drilling is likely to have a greater negative effect on Gulf Coast families and businesses than the spill itself. Preventing new offshore drilling is far more likely to worsen, and not improve, the impacts of this spill upon both the economy *and* the environment of the Gulf Coast.

Yesterday, U.S. District Court Judge Martin Feldman agreed with this assessment. In a decision handed down yesterday, Judge Feldman called the moratorium "arbitrary and capricious" and argued that Obama administration failed to justify "a blanket, generic, indeed punitive, moratorium" on deepwater oil and gas drilling. The Judge added that "the blanket moratorium, with no parameters, seems to assume that because one rig failed and although no one yet fully knows why, all companies and rigs drilling new wells over 500 feet also universally present an imminent danger."

Unfortunately, the Administration is fighting this Court decision. Instead of striking a balance and pursuing an alternative approach that would make the industry safer without putting tens of thousands of Gulf Coast residents out of work, Secretary Salazar has declared, "Based on this ever-growing evidence, I will issue a new order in the coming days that eliminates any doubt that a moratorium is needed, appropriate, and within our authorities."

That statement reflects an unwillingness to acknowledge the hardships this policy is causing to Gulf workers. Even more troubling, it came hard on the heels of remarks attributed to you in yesterday's *New York Times*, indicating that your panel is unlikely to meet before mid-July and that you do not anticipate lifting the moratorium before six months has elapsed. This is unacceptable.

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The drilling moratorium has immediate and devastating impacts on the Gulf Coast labor force: according to the Louisiana Department of Economic Development, the drilling suspension is expected to result in the loss of between 3,000 to 6,000 Louisiana jobs in the first two to three weeks; 10,000 jobs within a few months; and some 20,000 existing and potential new jobs if the federal panel takes longer than six months to do their reviews and write their reports. Those figures only describe the impacts to Louisiana – neighboring states will also be impacted. The oil and gas sector directly employs some 13.4 percent of Louisiana's workers. We cannot simply close down that sector without devastating economic impacts.

Whether you support offshore drilling or not, you must concede that labor impacts of that magnitude demand a sense of urgency. Your decision to delay even an initial meeting of the commission until mid-July does not convey an adequate appreciation of this urgency.

I have provided a series of recommendations to the President (attached) which outline a series of steps that would ensure that the risks of offshore drilling are dramatically reduced. The Commission could implement these recommendations immediately and in so doing reduce both the risks of spills and the threat of economic catastrophe along the Gulf Coast.

The attached proposal will not, and could not, eliminate all environmental risk. There are no risk-free methods of producing the amount of energy required by the American economy. We can do better than we have in the past and I support all efforts in that regard. However, we must balance these environmental risks against other economic risks that are no less impactful to the working families of the Gulf Coast.

I urge you to immediately alleviate the economic impacts of the moratorium in the Gulf by allowing economic activity in the sector to resume safely and swiftly. The people of the Gulf Coast deserve and demand that this situation be addressed with the utmost urgency.

With kind regards, I am

Sincerely,



Mary L. Landrieu
United States Senator

MLL:tjm
Enclosure

cc: Bob Graham

United States Senate

WASHINGTON, DC 20510-1804

June 11, 2010

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

The tragic explosion of the *Deepwater Horizon* took the lives of 11 men and unleashed an uncontrolled torrent of oil and gas into the Gulf of Mexico that threatens our environment, our economy, and the health of America's wetlands, which underpin the way of life and the viability of the entire Gulf Coast. In an effort to ensure that such a terrible tragedy never occurs again, your Administration imposed a moratorium on new deepwater drilling. Unfortunately, I fear that this action could exacerbate, rather than alleviate, the impacts of this spill upon both our economy and our environment. Therefore, I write to urge your immediate reconsideration of the blanket six-month moratorium on deepwater drilling projects and ask that you consider instead a series of fundamental changes to offshore drilling practices that will serve to demonstrably reduce the risk of deepwater drilling while sparing the Gulf Coast's economic vitality.

Like many thousands of Gulf Coast residents living through this frustrating nightmare, I sympathize with the impulse to halt the activity that resulted in such a disaster. Unfortunately, that impulse is likely to do far more harm than good to Louisiana and the Gulf Coast.

The immediate impacts to the economy are devastating enough: idling the 33 rigs currently permitted to drill in the deepwater Gulf would immediately impact employment for roughly 38,000 crewmen, deck hands, engineers, welders, ROV operators, caterers, helicopter pilots, and others who operate and service these vessels. That's like closing 12 large motor vehicle assembly plants in one state, all at once. Moreover, that figure does not take into account the thousands of jobs generated by producing oil and gas offshore Louisiana – to our service sector, recreation and tourism, etc. The oil and gas sector directly employs some 15 percent of Louisiana's workforce. We cannot simply close down that sector without devastating economic impacts.

It is important to note that the moratorium on deepwater drilling threatens not only our economy but our environment as well. The oil that Americans rely on to fuel their economy must come from somewhere – more than likely it will be transported to the United States from overseas via oil tankers. As we have seen on multiple occasions, oil tankers sometimes run aground, hit snags, capsize, or are otherwise caused to spill their contents. Today's tankers

carry, on average, about 2 million barrels of oil. Increasing tanker traffic increases the risk that US ports will be the site of a major tanker spill. Indeed, the National Research Council found that oil in the sea was four times more likely to come from an oil tanker than from an offshore drilling facility. By decreasing Gulf oil production, we are therefore likely to increase, not decrease our risk of another catastrophic spill.

I understand and respect your efforts to reduce the risk of a second massive blowout in the Gulf. However, I believe that we can demonstrably improve the safety of deepwater drilling without shutting down the Gulf Coast economy for more than six months. The proposal I outline below will not eliminate all risk. But there are no risk-free ways of producing the energy we rely on today. Given that, I ask that you lift your blanket moratorium on deepwater drilling and instead act on the recommendations below, some of which are drawn from your report and all of which would demonstrably improve the safety of current offshore operations:

1. Operators of the currently permitted 33 deepwater wells should be allowed to immediately resume "top hole section" drilling. This would allow them to drill through non-hydrocarbon zones, thus foregoing the possibility of loss-of-well control incidents or oil spills. Drilling would stop within a reasonable distance of the targeted hydrocarbon zone, to be reviewed for continuation as further regulations are developed.
2. Clearly communicate your unswerving commitment to re-opening the deepwater Gulf of Mexico to energy development, and outline a clear timeline within which the U.S. offshore will be re-opened for business and investment. This timeframe must be far shorter than six months if Louisiana and other Gulf Coast states are to avoid crippling economic damage.
3. Utilizing expertise and input from the National Academy of Engineering and the President's Commission, the Department should identify critical processes associated with the drilling and completion of deepwater wells based on systemic risk analysis, and exposure to safe and reliable operations.
4. The Department should identify a set of clear, coherent, and achievable benchmarks that will assure Americans that the risk of deepwater drilling is reduced.
5. Concurrently with this comprehensive review, the Department of the Interior should deploy a team of inspectors to every deepwater rig to examine all surface and subsea well control equipment and monitor and oversee operations.
6. Inspectors should rigorously inspect each operator's drilling and casing/completion practices to ensure that well control contingencies are not compromised at any point. Operators should be required to submit revised drilling plans that illustrate the lessons learned from the *Deepwater Horizon* and be called upon to verify their compliance frequently through on-site inspections.

7. Operators should be compelled to demonstrate that they have the emergency power equipment to ensure proper operation.
8. Rig floor managers, drillship captains, and other mission-critical staff should be re-tested for competencies relevant to emergency management and undergo Interior Department training and certification in order to minimize the risk of human error.

I commend your leadership in these difficult times and I look forward to helping you continue to serve as a good steward of the environment, the economy, and the safety of the American people.

With kind regards, I am

Sincerely,



Mary L. Landrieu
United States Senator

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