

Bob Graham, Co-Chair William K. Reilly, Co-Chair Frances Beinecke Donald Boesch Terry D. Garcia Cherry A. Murray Fran Ulmer

May 8th, 2017

The Honorable Ryan Zinke Secretary of the Department of the Interior 1849 C Street, N.W. Washington DC 20240

Dear Mr. Secretary:

On behalf of the members of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, we are writing to express our concerns about specific aspects of the proposed reviews contained in the President's April 28th, 2017 Executive Order on Implementing an America-First Offshore Energy Strategy.

Before addressing our specific concerns, we wanted to share the context in which we are writing them. On April 20, 2010, the BP's Macondo well blew out in deep water off the Louisiana coast, causing the Deepwater Horizon drill rig to explode, killing 11 workers and, over the coming months, gushing several million barrels of toxic crude oil into the Gulf of Mexico.

In June 2010, President Obama established a bipartisan commission, the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, to determine the cause of the spill, how to make the offshore industry safer, and how to improve the nation's spill response capacity. In January 2011 the Commission issued a comprehensive report, *Deepwater: The Gulf Oil Disaster and the Future of Offshore Drilling,* which contained a series of recommendations designed to enhance safety for offshore oil and gas exploration and development. Over the ensuing seven years many, but not all of the recommendations have been adopted by the Department of Interior, by other federal agencies, and by the industry. Unfortunately, Congress has failed to act meaningfully on any of the Commission's recommendations for improving safety.

In response to the oversight failures enumerated in the Commission report, the Department of Interior reorganized federal oversight of offshore drilling, creating the Bureau of Ocean Energy Management (BOEM) to oversee federal offshore oil leasing; and the Bureau of Safety and Environmental Enforcement (BSEE) to reduce the risks of offshore operations. BSEE established an new Ocean Energy Safety Institute at Texas A&M University to pool industry, academic, and government resources aimed at improving well control technology, research, and training. The industry created the Marine Well Containment Corp. to maintain equipment designed to contain a high-pressure blowout in deep water and the Center for Offshore Safety.

These were meaningful steps.

In our view, the most broadly important measure to come out of what the Commission learned was the new Well Control Rule that BSEE finalized in April 2016. In the Commission's investigation of the causes of the Macondo accident, a primary cause was determined to be the failure of the blow out preventer, and the inadequacy of existing rules and standards for offshore well control. The adoption of the well control rule was the culmination of a six year effort to improve safety operations offshore, for workers as well as for the oil industry and the surrounding marine environment. It resulted from extensive consultation with the industry, analysis by the Department and public input.

The Well Control Rule emanates directly from what was learned about the problems at the root of the BP disaster. In some cases, the rule mandates best practices already used by many, but not all, industry players. We found tremendous variation of safety standards among different companies working offshore. The rule explicitly addresses areas such as:

- Operations for high-pressure wells in brittle rock like that of the Macondo well;
- The formulation and application of cement to seal the well shaft both were suspect at Macondo;
- The equipment used to center the pipe extending to the well the Macondo well went short on this equipment, possibly leading to a breach in the seal;
- The requirement that a cement log be conducted to ascertain the integrity of the seal between the pipe and surrounding rock – this step might have saved Macondo, but BP skipped it to save time and money;
- Inspection, maintenance, and operability of the blowout preventer, a large piece of emergency equipment that sits atop a deep water well and is supposed to seal it in the event of a blowout – the Deepwater Horizon's blowout preventer failed catastrophically and was later determined to have been poorly maintained.

The Commission members hold the unanimous view that weakening or rescinding the Well Control Rule would aggravate the inherent risks of offshore operations, put workers in harm's way, and imperil marine waters in which drilling occurs.

We also wish to express our support for retaining the Department of the Interior's Arctic Ocean Exploratory Drilling final technical regulations, adopted in July 2016. These protections, which finally take some account the Arctic Outer Continental Shelf's remote, icy, and stormy conditions as well as the species important to Alaska Inupiats' subsistence and culture, are essential preconditions for any future Arctic Ocean drilling operations.

As stated in the Commission's report, "The remoteness and weather of the Arctic frontier create special challenges in the event of an oil spill. Successful oil-spill response methods from the Gulf of Mexico, or anywhere else, cannot simply be transferred to the Arctic...the Department of the

Interior should ensure that the containment and response plans proposed by industry are adequate for each stage of development" (pp. 303-4).

We believe that these exploratory drilling regulations are necessary to reduce the risks, severity, or duration of a catastrophic oil spill in the Arctic Ocean.

The Executive Order also directs the Interior Department to revise the current 5-Year Leasing Program (covering 2017-2022) to include *annual* lease sales "to the maximum extent permitted by law" in each of the following areas: Mid-Atlantic, South Atlantic, Chukchi Sea, Beaufort Sea, and Cook Inlet, as well as in the Western Gulf of Mexico, and Central Gulf of Mexico. The current lease schedule was recently adopted after extensive public and industry input. After extensive review of the leasing process, the Commission members hold the unanimous view that offshore safety will be reduced with weakened regulations and an accelerated leasing schedule.

The Commission looked specifically at the hazards in Arctic operations, and recommended several steps to ensure that the science of the Arctic was better known, that native communities were fully consulted, and that better investment in spill containment and response was required. The President's Executive Order fails to account for the vulnerabilities of frontier regions, the lack of adequate federal investment in safety for Arctic conditions, or the coastal economies along areas, including those along the Atlantic coast, that will be put at risk by this order.

Conditions have not changed significantly since the Macondo Spill. Key oversight changes have been the adoption of better safety standards, a clear delineation in the Interior Department between the responsibilities of leasing (BOEM) and safety (BSEE), and a more precautionary approach to vulnerable frontier areas. After extensive research and analysis of offshore oil and gas drilling operations in offshore waters, we hold the unanimous view that weakening safety rules, developing an overly aggressive leasing schedule, and putting vulnerable, ecologically rich and economically important frontier areas at risk is unwise.

For these reasons, all the Commissioners firmly oppose the modifications proposed in the April 28th Executive Order. We would welcome the opportunity to meet with you and discuss these concerns in person.

Yours truly

Senator Bob Graham

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Co-chairs of the National Commission on BP Deepwater Horizon Oil Spill

and Offshore Drilling