

“Increased Safety Measures for Energy Development on the Outer Continental Shelf” (BOEM-2010-0034-0041)

Context: In response to the Deepwater Horizon incident and resulting oil spill, President Obama directed the Department of the Interior (DOI) to develop a report identifying measures necessary to improve the safety of oil and gas exploration and development on the Outer Continental Shelf. The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) recently published a proposed rule which attempts to implement the practices recommended in that report. The proposed rule would: “amend drilling regulations related to well control, including: subsea and surface blowout preventers, well casing and cementing, secondary intervention, unplanned disconnects, recordkeeping, well completion, and well plugging.”

Comment: If nothing else, all parties affected by this rule can agree that catastrophic oil spills can and do occur. And that the costs associated with such oil spills are enormous, affecting U.S. and world economies in a myriad of ways. We need look no further than the Deepwater Horizon disaster or its predecessor, the Exxon-Valdez oil spill, to understand the stakes involved. I am neither an apologist for the Oil and Gas Industry or an environmental zealot. I write from the perspective of an ordinary American citizen who understands both the need to (1) develop our country’s natural resources and (2) respect and preserve natural environments to the greatest extent possible.

The process of developing energy on the Outer Continental Shelf then necessarily requires a cost-benefit analysis. Many in the Oil/Gas Industry, while praising the “ends” of this rule, criticize the “means” as impractical and unreasonably costly. My response to that criticism is to emphasize that the long-term costs associated with major oil spills are likely to dwarf the short-term costs required to implement new technology, safety measures, etc. As the Deepwater Horizon illustrates, “aesthetics” have both tangible and intangible value. Images of oil-stained beaches, animals, plant-life, etc. can devastate a local economy for years, for decades. Naturally, the liability costs implicated can be huge. But beyond that, industry groups would be wise to consider the impact an oil disaster can have on public perception and its willingness to sacrifice environmental health for savings at the gas pump. With two massive oil disasters in the last 20 years, it’s hard to believe that U.S. citizens have much more patience for the industry. Another “accident” could very well be the catalyst for an abandonment of oil development on U.S. soil.

The lack of preparedness in responding to the massive release of oil and methane from the seafloor, and the missteps and ineffective attempts at spill response cannot be permitted to happen again. There is no silver bullet that can be implemented quickly and cheaply to guarantee prevention in the future. The steps outlined by the DOI and implemented by this rule are the best option available – for everyone.