

A stylized world map composed of grey dots, with several dots in the Gulf of Mexico region highlighted in red.

Disaster in the Gulf – Inaction in Congress

Who to Trust?

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Television reports and the newspapers have been plastered with images of stinking, brown waves of crude oil lapping at the pristine white sands of the barrier islands in the Gulf of Mexico near Louisiana and Alabama. In the same papers, one can read stories about the continued partisan infighting over a proposed Senate climate and energy bill. US energy and climate policy seems to be stuck in a stalemate, which hardly seems possible after 2009, a year when hopes were high for the Waxman-Markey House Climate Bill, the Copenhagen negotiations, and the promise of “green jobs”. Only one year later, in addition to a sense of failure surrounding energy legislation, the US is facing the worst environmental disaster in history as a result of an accident on a deep-sea oil rig in the Gulf of Mexico. The [Deepwater Horizon accident](#) affects an area of the US with miles of sensitive wetlands and estuaries. The oil release has also triggered a human and economic disaster – not only the employees and families of those killed on the Deepwater Horizon, but of thousands of people who made their [livings in the waters](#) and swamps of the Gulf Coast. Due to repeated failures to pass a comprehensive energy bill and the additional pressure of the ongoing oil disaster, public trust in government, industry and the Obama administration seems to be faltering.

Status of US Legislation

Voters, renewable energy industries, and environmental groups alike are growing weary of the foot-dragging and bipartisanship that has thus far prevented the US Congress from passing comprehensive energy and climate legislation. In June 2009, the US House of Representatives released the “American Clean Energy and Security Act” (H.R. 2454), which proposed renewable portfolio standards as well as a cap-and-trade system to achieve a goal of increasing energy efficiency and reducing certain greenhouse gas emissions sources by 83% of 2005 levels by 2050. Almost a year later, the Senate finally released its own bill, [“The American Power Act”](#), on May 13, 2010. There had been false starts along the way, as Senator John Kerry (D-MA) struggled to create a tri-partisan group to support the new bill. One partner in the effort Joe Lieberman (I-CT) stuck with the “American Power Act”, but sole Republican supporter Lindsay Graham (R-SC) pulled out of the negotiations shortly before the bill was released, citing a difficult political climate and increased pressure to deal with immigration. The Senate bill is a lens through which to view many of the larger issues in the environmental and energy policy realm that have plagued the legislative process. The bill aims to reduce carbon dioxide by creating a system of credits and permits, as well as targeting research and development in clean energy technology. However, there are no current Republican supporters for any bill that would put a price on carbon. For many environmentalists, the bill appears to be too easy on business and fossil fuel industries and has been criticized as being a compromise bill that seeks industry support by including major provisions for coal, nuclear, and offshore drilling. Confusingly, the bill promotes clean energy sources, yet also safeguards domestic oil and gas production – for energy security reasons.

President Obama has publicly stated that he supports the American Power Act, and has also made the link to the oil disaster. [As the President said in May 2010](#): “Americans know what’s at stake by continuing our dependence on fossil fuels. But the challenges we face – underscored by the immense tragedy in the Gulf of Mexico – are reason to redouble our efforts to reform our nation’s energy policies.” Despite the President’s support, observers



currently believe that it is unlikely the bill could pass in its current state before the midterm elections take place – which could spell potential change in the Congressional balance of power. Although Senate Majority Leader Harry Reid (D-NV) hopes to rewrite the bill in the coming weeks to address the Gulf oil spill and to put stronger regulations on deepwater drilling, the carbon credit portion may be weakened. If this is the case, many Liberal Democrats, frustrated for too long in their hopes to put a price on carbon, may withdraw support for the bill, once again dashing the hopes of concerned voters.

In the absence of Congressional legislation, the 2009 “stimulus bill”, designed to confront the economic fallout from the financial crisis, targets green jobs training programs and other energy-related investments such as energy efficiency measures and grid expansion. Many industry and government supporters hope these investments will have a positive environmental impact in spite of the lack of a comprehensive policy. Internationally speaking, the outlook is not positive for the US to pass the domestic climate and energy legislation that could provide the basis for signing a binding commitment at the climate talks in Cancun this coming December.

Then, The Oil Spill

The American Power Act was released a few weeks after one of America’s worst environmental disasters began, when on April 20, 2010 the Deepwater Horizon oil rig exploded, killing 11 workers and triggering a break in the piping which allowed oil from deep below the ocean floor to gush out. As of mid-June, the oil is still flowing, though at a somewhat subdued rate due to a cap that is shunting oil to a boat at the water’s surface. By June 7, 2010, inspectors reported the well had released 600,000+ barrels of oil – the worst “spill” in history. For comparison’s sake, the Exxon-Valdez wreck in 1989 released about 260,000 barrels of crude oil.

After playing the “blame game” between the U.S. government, employees of the Deepwater Horizon, contractors, and the manufacturers of the drilling rig, BP eventually agreed to pay for the cleanup as well as to cover legitimate claims for damages such as fisheries and beach cleanup. Although BP has agreed to take responsibility for cleanup and restitution efforts, they do not take responsibility for the accident itself, which they say was due to Transocean (the firm which owned the Deepwater Horizon rig). Only 16% of Americans polled in June approved of BP’s efforts even though in contrast to the recent credit crisis and the banking industry, BP took on the blame and the responsibility for cleanup rather quickly.

The Public’s Response

In the aftermath of the disaster, the public has been concerned with the President Obama’s personal response to the disaster, which has led to a continuing debate over the government’s role in regulation. A [recent Gallup Poll](#) showed that only 44% of polled Americans approve of Obama’s handling of the Gulf disaster – and 48% don’t approve. American anxiety about the oil leak taps into the public’s fear that the federal government isn’t competent to keep them safe and can’t be trusted – an attitude that was clear during the long and vicious fight over a public healthcare option earlier this year. [As columnist David Brooks points out](#), Americans are suspicious of what they perceive of as an “unhappy marriage” between corporations and government. Though Obama and his team have been careful to emphasize that they hold BP responsible, Americans may feel doubly suspicious in the context of the Gulf disaster after a long string of incidents that have served to undermine their trust. A key point in this debate has been that estimates of oil spilled daily have been revised several times. BP’s estimates turned out to be much lower than the numbers that a government organization publicized after testing, which only encouraged public rage and accusations of a cover-up. Not only has the oil spill taken over the mass media, American attitudes have shifted. In March, slightly more favored developing US energy supplies over protecting the environment (50% to 43%) whereas in June, [a 55% to 39% majority favored](#) protecting the environment over energy production.

The Deepwater Horizon accident is only one of several disasters that big businesses have been linked with since Barack Obama took office. Accusations against Toyota – now deemed possibly unfounded - the collapse of the

Upper Big Branch mine in West Virginia, and the “bailout” of banks and auto companies have all brought into sharp focus the relationship between business and the government. Faced with an unprecedented array of domestic challenges requiring a strong federal response, Obama must fight off criticism that he is abusing the power of the federal government to regulate and tax. Americans want the government to regulate business – as shown in the recent debate over the financial markets – but they don’t want it overregulated in a way that could discourage innovation and profit. Americans want regulations that prevent disasters like the collapse of the credit markets, the BP oil leak, or the mine collapse. However, businesses, and regulators are oftentimes reluctant to actually follow these stringent, expensive, and seemingly bureaucratic regulations until it is too late.

The administration understands these challenges, and in a recent speech, the president criticized the corrupt relationship between government regulators and oil management. Moving forward, as the Wall Street Journal recently noted, the debate need not focus on the quantity of regulations, but rather the quality: US Coast Guard Admiral Thad Allen explained that the regulations meant to manage oil spills were developed years before the current technology for deep-sea drilling even existed.

What Now?

While lawmakers and citizens have already lost their appetite for promoting new offshore drilling, the question remains: how can America get on the path toward a sustainable energy future? If the American Power Act does not pass into law, what type of energy policy will can bridge the bipartisan gap while assuring the public that another BP disaster won’t happen again?

The oil disaster is already perceived to be one of the biggest events of the Obama presidency. Though many Americans disapprove specifically of the President’s response to the oil spill, it is worth noting that his [overall job approval rating](#) remains about the same as was before the spill, at 50%. It is clear that Obama wants to harness the political energy surrounding the disaster and point it toward a future goal, rather than getting bogged down in negative thinking. [On June 15](#), the president emphasized to listeners in an address that the oil spill is “the most painful and powerful reminder yet that the time to embrace a clean energy future is now.” The speech was meant to quell concerns about the administration’s response in the Gulf, yet many citizens, reporters, and politicians thought Obama did not take a strong enough stance and did not provide specific examples of what could be done to clean up and stop the spill. The President and his team need to regain the public’s support and trust by showing how government safety regulations, disaster management, and environmental protection plans can protect their interests now and in the future. Americans want Obama to take control of the situation in the Gulf but they also need strong and competent government regulations and policies that make sense down the road. Regaining the public’s trust in the aftermath of the BP will take more than simply passing the American Power Act, but strong energy and climate policy can help steer the country toward a more sustainable future and give the government tools to hold big business and big polluters responsible when disasters do happen.

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