

# House approves oil spill bill; stalled in Senate

Matthew Daly, Associated Press, 7-31-10

WASHINGTON -- The House has approved a bill to boost safety standards for offshore drilling and remove a liability cap for oil spills, but a partisan fight in the Senate will likely delay action on a response to the Gulf oil spill until Congress returns from its summer recess.

Democratic leaders hailed the House bill, approved Friday, as a comprehensive response to the devastating oil spill. They said it would increase drilling safety and crack down on polluting oil companies, such as BP.

Companies with significant workplace safety or environmental violations over the preceding seven years would be banned from new offshore drilling permits, and whistleblower protections would be extended to oil and gas workers who report hazardous conditions or other problems.

The measure was approved, 209-193.

Republicans and some-oil state Democrats opposed the bill, calling it a federal power grab that would raise energy prices and kill thousands of American jobs because of the liability provision and new fees to be imposed on oil and gas production.

Despite the House action, final approval of oil spill and energy legislation remains in doubt.

The House adjourned for its summer recess shortly after the vote, so Congress won't be able to approve a final bill until at least September. And Senate approval is anything but certain.

Democratic leaders conceded this week that they might not have the necessary 60 votes to advance their legislation, given the opposition of Senate Minority Leader Mitch McConnell, R-Ky., and other Republicans.

Senate Majority Leader Harry Reid has introduced a bill that tightens restrictions on offshore drilling and promotes energy efficiency, electric cars and the use of natural gas in trucks.

Reid, a Nevada Democrat, offered the bill after he realized he couldn't get 60 votes for more sweeping legislation that would have put a cap on carbon dioxide emissions blamed for global warming. But Democrats don't yet see 60 votes for the watered-down bill, either.

Meanwhile, Rep. Nick Rahall, D-W.Va., the main sponsor of the House bill, said it would be a tribute to the 11 oil rig workers who were killed when the BP well exploded in April. The bill would create strong new safety standards for offshore drilling, end the revolving door between government regulators and industry and hold BP and other oil companies accountable for accidents, Rahall said.

Rahall said the legislation would end a "trust-but-don't-verify" attitude about safety where drilling plans were rubber stamped by federal regulators and industry often wrote its own rules.

The House bill includes a provision sponsored by Rep. Charlie Melancon, D-La., that would modify a six-month moratorium on deepwater drilling, so that some drilling permits could be approved on a rig-by-rig basis if the Interior Department determines a rig meets new safety requirements. The drilling moratorium imposed by

Interior Secretary Ken Salazar would remain in effect, and Salazar would retain power over whether to approve a permit.

The bill also would remove the current \$75 million cap on economic damages to be paid by oil companies after major spills and increases to \$300 million the financial responsibility offshore operators must demonstrate in most cases. And it would create new "conservation" fees on oil and natural gas extracted from land or water controlled by the federal government.

Those provisions prompted sharp criticism from Republicans.

Rep. Doc Hastings of Washington state, the top Republican on the House Natural Resources Committee, called the new fees on oil and gas production a "\$22 billion energy tax" that would cost jobs and raise energy prices. Republicans also complained that lifting the liability cap would prevent all but the largest oil companies from offshore drilling because they won't be able to get insurance.