

Jobs vs. environment debate heats up in mining, oil

Industry associations attack federal moves to protect streams, Gulf

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The Obama administration's own experts say proposed new coal mining regulations to protect streams would eliminate 7,000 of the nation's 80,000 coal mining jobs. The numbers follow complaints from the oil industry that the tougher deepwater drilling rules in place since the BP disaster means that thousands of Americans aren't being hired for offshore work.

The jobs versus environment debate, especially in oil and mining, has heated up in part due to the slow economic recovery.

President Barack Obama earlier this month said he would streamline some federal regulations but also praised those that protected health and the environment.

The mining job and production losses are outlined in an Office of Surface Mining Reclamation and Enforcement document obtained by The Associated Press. The rules are supposed to replace Bush-era regulations.

The OSM has submitted the proposal to big coal producing states for their feedback before it finalizes any new regulations.

The document says protections in the administration's preferred plan would trim production to the point that 9,000 coal mining jobs would be lost.

An OSM spokesman did not immediately respond to a request for comment. The agency maintains in the document that its proposal "attempts to balance the protection of natural resources with imposing a reasonable administrative and economic burden on the coal mining industry."

The National Mining Association said the OSM vastly underestimated the economic impact of the proposed rules.

"OSM's preferred alternative will destroy tens of thousands of coal-related jobs across the country from Appalachia to Alaska and Illinois to Texas with no demonstrated benefit to the environment," the trade group said in a statement.

In the oil industry, the American Petroleum Institute on Tuesday released an analysis that found that as many as 125,000 jobs could be lost in 2015 due to deepwater permitting delays.

"The potential harm is alarming," said Kyle Isakower, of API. "We are talking about a transformation of the future relevance of deepwater Gulf development to U.S. domestic energy production - and a major threat to Gulf region jobs and to the nation's energy security."

The analysis estimated that the delays could place as much as 680,000 barrels of oil equivalent Gulf production a day at risk in 2019.

The Interior Department's Bureau of Ocean Energy Management has not approved a permit for a new deepwater exploratory well since it lifted its temporary ban on drilling at depths more than 500 feet last October.

The department was quick to respond that deepwater drillers had not yet complied with a requirement that they demonstrate their ability to quickly contain a deepwater blowout and spill.

"Not a single operator has demonstrated in a permit application that it has access to and can deploy containment resources to deal with a deepwater blowout and spill," Melissa Schwartz, a spokeswoman for the drilling agency, said in a statement.

The lack of proof of adequate containment systems is the "main reason" drilling activity that was covered under the moratorium has not been approved to resume, Schwartz said.

Helix Energy Solutions Group Inc announced last week that it had reached a deal with some companies regarding the use of its deepwater containment system in the Gulf of Mexico.

A separate project, called the Marine Well Containment Company, that is led by Exxon Mobil Corp and includes all the major oil companies, is also developing a rapid-response oil spill containment system.

Schwartz said so far no operators have incorporated elements from either of these systems into their permit applications.