

Behind the Gulf oil crisis: Big Oil extends its political influence

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A month and a half into the worst oil spill in US history, frustration and anger directed towards both the oil giant BP and the US government are soaring.

Among the principal factors leading up to the April 20 oil rig explosion, and the subsequent uncontrolled eruption from the bottom of the Gulf of Mexico, was the absence of any regulations on the profit-driven operations of the energy industry. Government agencies under both Bush and Obama pushed for the expansion of deep-sea oil drilling and rubber-stamped all the decisions made by BP.

One measure of this influence is money. Through a combination of large individual gifts, Political Action Committees and other indirect channels, the oil and gas industry pumped over \$250 million into federal campaign coffers over the past 20 years, according to a new report from the Center for Responsive Politics.

This does not include lobbying. The industry spent \$174 million last year alone on lobbying the federal government, the third largest of 121 industries. BP, for its part, spent \$16 million last year. All told, since 1998 the oil lobby has committed \$1 billion to exert its influence on public policy.

“The oil and gas industry has long been one of the most influential in Washington. They are truly a powerhouse industry,” Center for Responsive Politics Communications Director Dave Levinthal told the WSWWS.

Levinthal explained, “At any time there are dozens of pieces of legislation on the table and lots of diverging interests. Still, the confluence of all this oil industry money in politics above all purchases access. It gets company executives into the game. The amount of influence they get one can only dream of if you don’t have millions to spend.”

One direct result is that the industry has been allowed to regulate itself. The federal agency with responsibility for oversight and regulation of oil drilling, the Minerals

Management Service (MMS), routinely allows extensive offshore drilling without requiring obligatory environmental reviews and permits. MMS waived basic safety precautions that might have prevented the spill.

While the public disgust in the wake of the disaster has skyrocketed, it has not stalled the collusion between government and Big Oil. In fact, the opposite is true. Halliburton, the energy company involved in making the cement casings for the rig, which may have ultimately contributed to the explosion, last month ramped up its political spending to the highest levels since just before the 2008 elections.

Just one week prior to appearing before an investigative subcommittee of the House of Representatives Energy and Commerce Committee, Halliburton donated \$1,500 to the campaign fund of the ranking Republican, Joe Barton (Texas), according to a report by *Politico*.

In May, Halliburton also contributed donations of \$1,000 on Senator Mike Crapo (Idaho) of the Environment and Public Works Committee, and Senator Richard Burr (North Carolina) of the Energy and Natural Resources Committee. Both committees are holding their own hearings to investigate the oil disaster.

Along similar lines, Democratic Senator turned lobbyist John Breaux, who now represents some clients in the oil and gas industry, is working to ensure oil industry representation on the five member “independent” presidential commission to investigate the spill. Breaux told the New Orleans newspaper *Times-Picayune*, “The commission shouldn’t consist of all environmentalists, or all industry people. You need to have a mix.”

One of Obama’s two choices to head the commission is former Environmental Protection Agency chief William Reilly, who currently sits on the board of directors of oil giant ConocoPhillips.

Congressional donations, not surprisingly, are highest to committee members who play integral roles in crafting

legislation affecting the oil industry. Members of the Senate Energy and Natural Resources Committee received an average of about \$52,000 from individuals and groups associated with the oil and gas industry this election cycle. However contributions are near ubiquitous: 78 percent of House members and 84 percent of Senators received funding from oil and gas this past election cycle.

Both parties have received millions, though donations to Republicans have outweighed Democrats over the years about three to one. Nonetheless, President Obama was the second largest recipient of all candidates for federal office from the oil industry in 2008, pulling in just shy of one million. Only Republican presidential challenger John McCain received more.

BP executives, however, contributed twice as much to Obama, the largest single recipient of the company's funds.

This current election season, several candidates have already received over \$100,000 from the oil industry. Democratic Senator Blanche Lincoln (Arkansas) leads the way with over \$280,000 collected thus far. Lincoln currently sits on the Energy and Natural Resources Committee. Republican Senators David Vitter and Lisa Murkowski—from the oil states of Louisiana and Alaska, respectively—both pulled in over \$200,000 to date.

The influence extends beyond the executive and legislative branches of government. According to the *National Law Journal*, seven of the 12 federal judges in the Eastern District of Louisiana have recused themselves from hearing oil spill cases, citing connections to the oil industry.

The ties uniting government officials with the oil industry are intertwined further by the “revolving door” between political office and industry employment. Just within the Department of Interior, these connections are everywhere.

The Obama administration appointed Sylvia Baca, a BP executive, to serve as a Deputy Assistant Secretary for Land and Minerals Management. Baca was appointed last June by Obama's Interior Secretary, Ken Salazar, who himself has extensive ties to the oil industry and has long promoted off-shore oil drilling.

Bush administration Interior Secretary Gale Norton, after leaving the government took a position as general counsel for Royal Dutch Shell.

Outside the Interior Department, Obama's Energy Secretary, Steven Chu, headed a research institute at the University of California, Berkeley, which was funded by BP with a \$500 million grant. On becoming Energy

Secretary, Chu selected BP's chief scientist, Steven Koonin, to be the DOE undersecretary for science.

One of the most egregious examples is Steve Griles, who served as Deputy Secretary of the Interior Department and a representative on Dick Cheney's energy task force. After leaving office to start up his own energy lobbying firm, Griles was convicted of obstructing justice in the investigation of lobbyist Jack A. Abramoff. A federal judge sentenced Griles to 10 months in prison.

The movement between political positions and lobbying firms is very widespread. Of BP's 37 registered lobbyists identified by Center for Responsive Politics, 22 have held positions within the executive or legislative branches or as senior staffers.

Acting Inspector General Mary Kendall underscored these connections in an investigation released last month that confirmed allegations of MMS employees accepting gifts from oil and gas companies and other misconduct. In the report she wrote, “Of greatest concern to me is the environment in which these inspectors operate—particularly the ease with which they move between industry and government.”

Mandy Smithberger, from the watchdog group Project on Government Oversight put it more bluntly in an interview with the *Associated Press*. “To say that MMS has had a revolving door problem doesn't even begin to describe how profoundly this agency has entangled itself with industry. The revolving door has spun so readily in this case that the lines between the regulators and the regulated are now virtually nonexistent.”



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