

Obama lifts moratorium on deepwater oil drilling

Hiram Lee**14 October 2010**

Six months after the Deepwater Horizon disaster began, the Obama administration has ended its moratorium on offshore oil drilling. The ban was lifted six weeks in advance of its scheduled end date of November 30.

“We are open for business,” Interior Secretary Ken Salazar declared while announcing the lifting of the moratorium on Tuesday. The message was well received on Wall Street where stocks of oil and energy companies began to rise. Transocean, the company that owned the Deepwater Horizon oil rig, saw its stock rise 4.7 percent. Diamond Offshore Drilling’s stock rose by 4 percent while Ensco PLC rose by 3.4 percent.

The moratorium on deepwater drilling was put into place in May, following the April 20 blowout that killed 11 workers aboard the Deepwater Horizon rig and began the worst oil spill in history.

While the moratorium was ostensibly begun to ensure drilling would not resume until the necessary changes had been made to ensure safety within the industry, nothing of the sort has taken place. This, in spite of overwhelming evidence showing the failure of regulatory agencies to prevent the Deepwater Horizon disaster. Among the most recent revelations, the *Wall Street Journal* has reported that no surprise inspections had been conducted on oil rigs in the Gulf since 2004, in violation of laws requiring such inspections to be carried out.

The oil industry and its representatives in the US Congress immediately came out against the drilling ban, painting it as a major affront to the industry and an assault on jobs in the Gulf Coast region.

The major oil companies, which rake in billions in profits annually, cynically used unemployment in a campaign to return to drilling in the lucrative deep-sea oil reservoirs in the Gulf. The Louisiana Mid-Continent

Oil and Gas Association claimed the moratorium would cost some 46,000 jobs. In reality, the moratorium only affected 33 rigs in the Gulf. A recent report from the Commerce Department shows that 2,000 jobs were affected by the drilling ban.

In Washington, Democratic Senator Mary Landrieu of Louisiana, a staunch ally of the oil industry, led the fight against the moratorium. Landrieu declared she would block Obama’s nomination for head of the Office of Management and Budget (OMB) until the drilling moratorium was lifted. When the announcement came Tuesday that the moratorium had ended, Landrieu said in a statement, “Today’s decision is a good start, but it must be accompanied by an action plan to get the entire industry in the Gulf of Mexico back to work. This means that the administration must continue to accelerate the granting of permits in shallow and deep water, and provide greater certainty about the rules and regulations industry must meet.” Until even greater concessions are made to the oil companies, Landrieu will continue to block the OMB appointment.

While the oil industry has pushed back against the Obama administration, unwilling to accept even the most token reform measures, the White House has been anything but an adversary to the profit interests of the major oil corporations. From the beginning of the disaster in the Gulf, the White House sought to minimize and cover up the size of the spill. The administration has stood side by side with BP in suppressing estimates of the amount of oil dumped and has worked with the oil giant to reduce its financial liability for the disaster as much as possible.

While the Obama administration has rescinded the drilling moratorium, it has not done so because the industry is now safer or because the corrupt business

practices that led to the spill have been eliminated. On the contrary, Obama was eager to lift the moratorium prior to the midterm elections in an effort to remove the threat of retribution from the major energy companies.

This latest gift to the oil industry will allow companies to return to drilling in the Gulf of Mexico with no legitimate regulatory oversight in place. No executives from BP, Transocean or Halliburton—the corporations primarily responsible for the worst oil spill in history—have been held accountable, the Obama administration's promise of a criminal investigation long since dropped.

The worst environmental catastrophe in recent history has changed nothing. The giant oil concerns, acting through their political representatives in Washington, continue to subordinate their workers' safety, the environment, and the energy needs of the population to their reckless drive for profit.



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