Obama administration moves to open US coastlines to offshore drilling

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In a major giveaway to US energy corporations, the Department of the Interior announced January 27 that it would open a large section of the Atlantic coast to oil and gas drilling for the first time, as well as expanding exploration in the Gulf of Mexico and parts of the Alaska coastline.

The proposal would cover a leasing period from 2017-2022, with 10 previously-protected locations in the Gulf, three in Alaska and a single large swathe of the southeast Atlantic coast, from Virginia down to Georgia. The formal bidding process would begin after a six-month period of public comment.

Drilling would continue to be banned on the Pacific coast and on the Atlantic coast from Delaware north, as well along the entire coastline of Florida, in both the Atlantic and Gulf of Mexico.

"The safe and responsible development of our nation's domestic energy resources is a key part of the President's efforts to support American jobs and reduce our dependence on foreign oil," said Secretary of the Interior Sally Jewell. While claiming the administration would protect "areas that are simply too special to develop," she reassured industry groups that "the areas off the table are very small in comparison to areas on the table."

The action by the Department of the Interior is the first major expansion of offshore drilling since the 2010 Deep Horizon oil spill, where the blowout of a BP exploration well resulted in the worst environmental disaster in US history. The Obama administration had just begun the approval process for drilling in the Atlantic off Virginia when the Gulf disaster took place, forcing it to postpone the action for nearly five years.

Besides the ten new locations in the Gulf of Mexico, the DoI draft proposal would open at least three additional areas on the Alaska coast—the Beaufort Sea, Chukchi Sea and Cook Inlet—while certain other portions of the region would remain off-limits to drilling.

The decision to open up the Atlantic coast for drilling was widely hailed by oil companies and their political allies. "It's encouraging to see the federal government finally acknowledge what we've been fighting for with our federal delegation for years," said South Carolina Republican Governor Nikki Haley of the announcement.

Similarly, Democratic Senators Mark R. Warner and Timothy M. Kaine of Virginia referred to the move as a "significant step . . . that should result in the safe, responsible development of energy resources off the Virginia and mid-Atlantic coasts." The senators expressed eagerness to put their state on the payroll of the oil companies, noting that, "we will continue to push for legislation to allow Virginia to have the same revenue-sharing system currently applied to Gulf Coast states."

A number of economists expressed doubt that energy executives would be interested in undertaking a significant expansion of production into new areas, given the current record low prices holding sway within the industry. "There would be a big risk that companies would take by sinking the capital to explore and develop these wells not knowing how productive they will be," Chris Lafakis, a senior energy economist at Moody's Analytics, said in a statement to the Raleigh *News Observer* .

DoI officials have sought to assuage fears of another environmental catastrophe on the scale of the 2010 BP spill. Speaking to the *New York Times*, Janice Schneider, the Interior Department's assistant secretary for land and minerals management, insisted that as a result of the Gulf disaster "there were investigations to

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reduce the likelihood of problems in the future," adding that "we are working actively to get those proposed rules out on the street as soon as possible, and working with industry to ensure those rules reflect the best technology."

Despite this massive sale of resources in federally protected areas, representatives of the oil industry expressed their dissatisfaction with the relatively limited number of offerings in the Atlantic and the Arctic. "At this early stage, it would be premature and irresponsible to leave out of the draft program any area that holds the potential for significant discoveries of oil and natural gas," stated Erik Milito, director of offshore and industry operations for the American Petroleum Institute. Similarly, Alaska Republican Sen. Lisa Murkowski called the relatively small number of openings for drilling a "one, two, three kick to the gut of Alaska's economy," adding that her office would "do everything we can to push back" against the administration on this proposal.

The Obama administration has sought to provide assurances to the various oil conglomerates dictating its energy policies in the face of a vast decline in oil prices throughout the global market. Earlier this month, after years of effecting measures aimed at damage control, a federal judge agreed to write down the total amount of fines owed by energy giant BP for its role in the 2010 Deep Horizon spill in the Gulf of Mexico. Despite damages potentially mounting in the trillions, the firm is now liable to pay a mere $13.7 billion, a fraction of its yearly profits.

"Our coastal economies are the backbone of hundreds of towns and cities along the Southern coast, providing thousands of jobs, multibillion-dollar tourism industries, multimillion-dollar fishing industries, and critical local tax revenues," stated Sierra Weaver of the Southern Environmental Law Center to the *New York Times*.

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