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[Birnbaum's game of telephone ends in firing](#)

Mike Soraghan
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Minerals Management Service Director Liz Birnbaum might have kept her job a little longer if she'd stayed in her office and kept her phone on the hook yesterday.

Instead, she was forced to resign in a move that highlights the Obama administration's struggle to stay ahead of the Gulf of Mexico oil spill crisis. **The ongoing spill is flinging loose years of dirty laundry from the agency Birnbaum ran for less than a year.**

The now-ex MMS director was in her office early yesterday, preparing to testify before a congressional panel about the agency's role in handling BP's massive oil spill in the Gulf of Mexico, as she had several times in recent weeks.

Yesterday morning was different, according to congressional sources. Someone from Interior Secretary Ken Salazar's office called and said the secretary did not want her to attend the House hearing. Following a harsh *New York Times* profile that highlighted her low profile in the crisis, that might have seemed like a bad omen.

But Birnbaum, the former veteran congressional staffer, was worried more about stiffing a committee chairman than what this meant for her job. She called Rep. Jim Moran (D-Va.), chairman of the Interior Appropriations Subcommittee, where she was supposed to testify, to tell him she would not be appearing.

Moran called Salazar, who then walked out of his sixth-floor hallway with Deputy Secretary David Hayes. They went one floor down and four hallways over to Birnbaum's office in 5400 corridor of Main Interior and asked her to resign.

Hayes, who has taken the lead for Salazar on the spill, testified in Birnbaum's place at the hearing.

At the start of the hearing, Moran gingerly brought up the question of why Birnbaum was absent. Salazar ducked the question at first. Moran would explain later that she had not actually resigned at that point. But a few minutes later, as news alerts flashed on Blackberrys around the Capitol that Birnbaum had been fired, Salazar announced to the committee that she had resigned, "on her own terms and of her own volition."

It was an uncharacteristic move that apparently caught even President Obama off guard. Recent practice in the Obama administration is to wait until a furor has died down before ousting the political appointee in charge of it. But Birnbaum's decision to reach outside the executive branch may have sped up the process in her case.

"She still doesn't get it," said an acquaintance later yesterday. "She still doesn't understand she's being made the poster child for all this. She thinks it's on the merits."

Birnbaum's was the most senior head to roll in a crisis that President Obama has deemed his top priority. But when Obama faced reporters asking about her ouster later in the day, he said he did not know the details.

"You're assuming it was a firing," Obama said. "If it was a resignation, then she would have submitted a letter to Mr. Salazar this morning, at a time when I had a whole bunch of other stuff going on."

Obama was blunt in saying, however, that Salazar's job is safe. The two have been friendly since they were freshman in the Senate in 2005.

Attempts to reach Birnbaum were unsuccessful. Reached on her cell phone, she answered but either hung up or was disconnected. She did not return a subsequent message. Interior did not respond to a request for comment on the timeline of events.

Birnbaum acquaintances, angered by the sudden ouster, said she had not been ordered to clean house at the scandal-stained agency, but to promote renewable energy. In particular, she was tasked with handling the politically charged issue of siting the 25-mile "Cape Wind" wind farm off Cape Cod, the MMS issue where Salazar was most active before the spill. In April, Salazar ended nearly a decade of regulatory battles by green-lighting the project.

Now with Obama's Interior team taking heat for not cleaning house at an agency notorious for its cozy ties with industry, they say she took the fall.

"She's being made a scapegoat," said one acquaintance.

Her focus on the Cape Wind project is supported by the fact that it was the first thing Salazar mentioned about Birnbaum as he praised her service to the committee.

"She helped us on issues of offshore wind in the Atlantic," Salazar said. "All I can really tell the committee is she is a good public servant."

To some, the signs were clear. She was not dispatched to the Gulf when the Deepwater Horizon rig exploded -- Hayes was. Salazar last week joked that he did not even take "a change of underwear." That then became a lead anecdote in a devastating *New York Times* story that dubbed her the spill's "invisible woman." To some, the words in the nation's paper of record seemed like the handwriting on the wall.

If that was not enough, Salazar had ordered a restructuring of Interior's offshore operations that did not include her. Birnbaum learned of the plan to split MMS into three agencies only the night before it was announced.

But her sudden departure also highlights questions about why neither Birnbaum, Salazar nor Obama had shaken up the agency, which became an object of ridicule even during the George W. Bush administration for its coziness with industry. Interior Inspector General Earl Devaney issued a report detailing gifts, drug use and sexual liaisons between MMS employees and oil company managers. That led to the punch line that MMS was "in bed" with industry, "figuratively and literally."

While Salazar had personally struck out against onshore drillers, declaring they would no longer be "kings of the world," offshore he had focused on promoting wind energy more than reining in drilling or tightening regulations.

In response to the 2008 IG report, Salazar established new ethics standards for MMS this January, terminated a tainted royalty program and enacted other reforms. But there was no high-profile shakeup until after the spill.

But earlier this week, the IG's office increased the pressure with another scathing report, this time detailing indiscretions involving Louisiana MMS safety inspectors between 2005 and 2007, which include receiving gifts from industry officials and using illegal drugs.

Unlike other leaders of most of the department's other bureaus posts, the MMS director is appointed by Salazar, rather than the president, and does not require Senate confirmation. No replacement was named and with the pending agency breakup, Birnbaum may be the last MMS director.

A Harvard-trained lawyer, Birnbaum had served previously as a former associate solicitor at Interior and as counsel and staff director for congressional committees. Before taking the helm of MMS in June, she had been the staff director of the House Administration Committee since 2007. When Salazar announced her appointment last year, he focused on her renewable energy role.

"Her in-depth knowledge of energy issues, natural resource policy and environmental law as well as her managerial expertise and work in coalition building," Salazar said at the time, "will be especially important as we advance President Obama's new energy frontier and lay the foundation for a clean energy economy."

[Click here](#) for Birnbaum's letter of resignation.

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House Natural Resources Committee Republican Press Office

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United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Washington, DC 20240



May 27, 2010

The Honorable Ken Salazar
Secretary
Department of the Interior
1849 C Street, N.W.
Washington D.C.

Dear Secretary Salazar:

Please accept my resignation as Director of the Minerals Management Service effective today. As you move forward with the reorganization of Minerals Management Service, you will be requiring three new leaders for the Office Natural Resources Revenue, the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement.

I wish you every good fortune in the reorganization of the Bureau and the ongoing management of the Department of the Interior.

Sincerely,

S. Elizabeth Birnbaum
Director