



[Gulf Coast Can't Afford CLEAR Disaster](#)

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By Rep. Bill Cassidy

Two man-made disasters have hit the Gulf Coast: the BP oil spill and the President's moratorium on energy production. A third disaster is scheduled for a vote in the House today.

Two hundred twenty-six days before the Deepwater Horizon rig collapsed, the Consolidated Land, Energy, and Aquatic Resources (CLEAR) Act was introduced in the House. A repackaged version is now being sold as a response to the BP oil spill.

This bill has much less to do with preventing another spill than it does preventing domestic energy production and destroying jobs.

It is legislate first, ask questions later. For example, the CLEAR Act gives the Presidential oil spill commission subpoena power to investigate the Deepwater Horizon spill, while simultaneously issuing new regulations in response to the event the commission is to investigate. In order to prevent another spill, we first need to know what went wrong. Doing otherwise is a recipe for arbitrary and ineffective regulations.

While the Deepwater Horizon rig's blowout preventer lies on the ocean floor, the CLEAR Act prescribes new rules governing blowout preventers. Of course we need to improve oversight of critical safety equipment, but shouldn't we first look at the one that broke?

One of the CLEAR Act's most dangerous provisions sounds the most innocuous: Buy American. It represents the cynical abuse of patriotism in order to kill an entire industry. Under current rules, rigs in American waters are built to U.S. standards, staffed by American crews, and inspected by U.S. agencies. The CLEAR Act will require them to be constructed in America as well. This new requirement is nearly impossible to meet. Mobile offshore drilling units (MODU) are extremely sophisticated devices. A MODU hasn't been built in the United States in over a decade. The United States currently lacks the capacity to construct them. This provision will only serve to send American jobs overseas and decimate domestic energy production.

Assuming any producers can survive the Buy American provision, perhaps as few as four major multinationals would be able to bid for offshore leases. By increasing the oil spill liability cap from \$75 million to "unlimited," the CLEAR Act will make it impossible for independent producers to operate in the Gulf. Independent producers employ over half of offshore energy workers, hold roughly 90 percent of offshore leases, produce nearly one-third of the oil and two-thirds of the natural gas coming from the Gulf, and have a sterling

safety record. Eliminating independent producers' ability to operate in the Gulf is expected to eliminate over 300,000 well-paying jobs.

Existing law states that if a company causes an oil spill and is found to be grossly negligent or in violation of federal regulations, the \$75 million cap does not apply and the company is liable for ALL damages. For example, BP has spent nearly \$4 billion on response efforts and allocated \$20 billion to compensate spill victims. If a company goes bankrupt, the Oil Spill Liability Trust Fund, which is funded by oil companies, not taxpayers, compensates spill victims. In light of the Deepwater Horizon accident, it would be appropriate to strengthen the Oil Spill Liability Trust Fund. But it is irresponsible to impose punitive liability requirements on small businesses that have not demonstrated a safety risk.

The CLEAR Act also contains several harmful provisions completely unrelated to the BP oil spill. It imposes \$22 billion in higher taxes on American energy, which will reduce energy sector employment, increase energy prices, and give foreign companies a competitive advantage over domestic producers. Revenue from this tax increase is not dedicated to anything related to cleaning or restoring the Gulf or protecting against another spill.

It usurps states' rights by imposing federal regulation of oil and gas on state waters. States have a history of effectively balancing safety, environmental, and economic concerns, while poor federal oversight contributed to the BP oil spill. This federal power grab is equivalent to replacing what works with what's broken.

The CLEAR Act cynically exploits those most affected by the BP oil spill to further an agenda that is hostile to American workers and energy security. The people of the Gulf deserve better.

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