

**Opening Statement, Congressman Jim Costa**  
**Chairman, Subcommittee on Energy and Mineral Resources**  
**House Natural Resources Committee Hearing on:**  
***“The Deepwater Horizon Incident: Are the Minerals Management Service Regulations Doing the Job?”***  
**June 17, 2010**

The Subcommittee on Energy and Mineral Resources is meeting today to hear testimony regarding the Minerals Management Service’s regulations and organizational structure in light of the tragic accident aboard the *Deepwater Horizon* on April 20<sup>th</sup>.

Before we begin, I would like to take a moment to acknowledge the brave men who lost their lives aboard the *Horizon* that night. Although the focus of the nation right now is on the environmental and economic catastrophe occurring in the Gulf, I believe we should not lose sight of the fact that this was also a tremendous human tragedy, and our thoughts and prayers are with the families of those workers, just as they are also with everyone along the Gulf Coast who is suffering as a result of this spill.

In the aftermath of the explosion, a considerable number of questions have been raised as to who was responsible, how this spill can be stopped, and what we can do to ensure something like this never happens again. Three weeks ago we posed some of these questions to the heads of BP and Transocean. Today we turn our spotlight on the Minerals Management Service.

Although the term “Minerals Management Service” is often preceded by “little-known” when it is mentioned in the press, this agency and its troubles are well known to this subcommittee, as Chairman Rahall or myself have chaired roughly 20 oversight hearings on the agency since 2007.

Recently, the administration announced plans to split the Minerals Management Service into three agencies and issue new rules regarding offshore drilling safety, some of which have already been published. It has also pushed the pause button on deepwater drilling until the Presidential commission can report back with recommendations on what happened, and how to keep it from happening again.

When it comes to regulations, we must ask how to strike the proper balance between the roles of government and the private sector. Too little regulation can obviously lead to unsafe conditions. But too much regulation can also be a problem, as operators begin to expect the government to do everything and absolve themselves of their own safety responsibilities. This is an issue of risk analysis and risk management, and we must do a much better job at both of those.

When it comes to organization, we have to strike the proper balance between making sure an agency does not have too many conflicting purposes, and ensuring that excessive fragmentation does not keep these agencies from working effectively. It would be particularly unfortunate if we went full circle and recreated the same coordination problems that the Linowes (LINN-oh’s) Commission found back in 1982.

I am a strong supporter of offshore drilling – I believe it is one of the tools in our energy toolbox that we will continue to depend on for decades to come. We should not lose sight of the fact that under normal conditions, it can be done extremely safely, with very little impact on the environment. But it is these “Black Swan” events – low-probability, high-impact events – that we have to try to prevent, or to handle properly if they occur.

It might cost a little more to do business during the safe periods, but that is nothing compared to the tremendous expense and tragedy that an accident like this can create.