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Opening Statement of Rep. Henry A. Waxman
Chairman, Committee on Energy and Commerce
Drilling Down on America's Energy Future: Safety, Security, and Clean Energy
Subcommittee on Energy and Environment
June 15, 2010

Chairman Markey, thank you for holding this hearing and for your tenacious work on this issue. You have been a true champion for transparency and accountability, and your efforts have kept Congress and the American people informed about the environmental disaster unfolding in the Gulf.

Yesterday, Chairman Stupak and I released a letter describing a series of questionable decisions made by BP in the days before the blowout. Time after time, BP appears to have taken shortcuts that increased the risks of a catastrophic blowout.

One of the central questions for today's hearing is whether the other oil companies are any better prepared than BP.

Last week, after receiving a request from Rep. Weiner, the Committee asked each of the five major oil companies for their oil spill response plans. On paper, these are impressive documents. Each is 500 or more pages long.

But what they show is that ExxonMobil, Chevron, ConocoPhillips, and Shell are no better prepared to deal with a major oil spill than BP.

The same company – the Response Group – wrote the five plans and described them as “cookie cutter” plans. Much of the text is identical. Four of the plans discuss how to protect walruses, but there are no walruses in the Gulf of Mexico.

We analyzed two key parts of the plans: their provisions for stopping a subsea blowout like the one that is spewing oil across the Gulf and their worst-case scenarios. We found that none of the five oil companies has an adequate response plan.

It is instructive to compare ExxonMobil's plan for controlling a subsea blowout with BP's plan.

Here is what BP says in its plan:

In the event the spill source cannot be controlled by the facility operator or remotely with a safety system, BP will activate the Oil Spill Response Plan and assemble a team of technical experts to respond to the situation.

And here is what ExxonMobil says:

In the event the spill source cannot be controlled by the facility operator or remotely with a safety system, ExxonMobil will activate the Oil Spill Response Plan and assemble a team of technical experts to respond to the situation.

The plans are identical. And so are the plans for Chevron and ConocoPhillips. Shell did give us a “Well Control Contingency Plan,” but it says Shell would use the same strategies of top kills and junk shots that have already failed.

Each of the five oil spill response plans also includes a section on responding to a worst case scenario involving an offshore exploratory well. On paper, these plans look reassuring. BP’s plan says it can handle a spill of 250,000 barrels per day. Both Chevron and Shell say they can handle over 200,000 barrels per day, and Exxon says it can handle over 150,000 barrels per day. That is far more oil than is currently leaking into the Gulf from BP’s well.

But when you look at the details, it becomes evident these plans are just paper exercises. BP failed miserably when confronted with a real leak, and ExxonMobil and the other companies would do no better.

BP’s plan says it has contracted with the Marine Spill Response Corporation to provide equipment for a spill response. All the other companies rely on the same contractor. BP’s plan says that another contractor will organize its oil spill removal. Chevron, Shell, and ExxonMobil use the same contractor.

BP’s plan relies on 22,000 gallons of dispersant stored in Kiln, Mississippi. So do ExxonMobil and the other companies.

I could go on, but I think you can see my point. These are cookie-cutter plans. ExxonMobil, Chevron, ConocoPhillips, and Shell are as unprepared as BP. And that’s a serious problem.

In their testimony and responses to questions, the companies say they are different than BP. Rex Tillerson, the CEO of ExxonMobil, asserts that their focus on “safe operations and risk management” would have prevented the catastrophe now occurring in the Gulf. The company also says, “ExxonMobil is prepared to meet all of the commitments ... including those involving a worst case scenario.” John Watson, the CEO of Chevron, says “Chevron’s drilling and control practices for deepwater wells are safe and environmentally sound.”

But when you examine their actual oil spill response plans and compare them to BP, it's hard to share this confidence. This blowout happened at a BP well, but if it occurred at an ExxonMobil or Chevron well, they wouldn't have been any more prepared to respond.

As this hearing will illustrate, Congress needs to pass new laws that put teeth into our regulatory system. But we cannot stop there. Our national energy policy is broken. We are addicted to oil, and this addiction is fouling our beaches, polluting our atmosphere, and undermining our national security.

We can't snap our fingers and transform our energy economy overnight. But we can start down the path to a clean energy future. The House did its part when it passed comprehensive energy reform a year ago. Now it's time for the Senate to act.

Mr. Chairman, I look forward to today's hearing, and I thank the witnesses for appearing and cooperating in our investigation.