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Chairman Towns Opens Investigation into MMS, Deepwater Horizon Oil Spill

Washington – Chairman Edolphus “Ed” Towns today announced that the Committee on Oversight and Government Reform has opened an investigation into potential lapses in oversight by the Minerals Management Service (MMS) in the years leading up to the *Deepwater Horizon* oil spill on April 20, 2010 in the Gulf of Mexico. The Committee has been concerned for many years with mismanagement and corruption at MMS, and the magnitude of the recent spill once again raises serious questions about the effectiveness of MMS’s oversight of offshore oil drilling.

“The inadequacy of BP’s and Transocean’s emergency response, and reports that BP may have failed to adopt adequate ‘blowout’ measures are deeply troubling and suggest problems with MMS’s approach to offshore drilling,” said Chairman Towns. “We need to understand if proper safeguards were in place before the *Deepwater Horizon* spill occurred, and if not, we need to know why.”

In a letter to the Department of the Interior Secretary Ken Salazar, the chairman requested information on management, operations and effectiveness of MMS, including matters relating to the *Deepwater Horizon* incident. Additionally, the chairman is interested in “revolving door” issues, conflicts of interest within MMS and MMS’s apparent lack of oversight of offshore oil rigs.

MMS is responsible for the regulation and oversight of offshore oil drilling. During the last decade, MMS has essentially permitted the oil industry to police itself under a system of “performance-based safety regulation.” For example, in 2000, MMS reportedly issued an alert requiring oil companies to have a backup system to activate “blowout preventers,” one of the components that may have failed, contributing to the *Deepwater Horizon* explosion and exacerbating the scope and scale of the oil spill.

In 2006, the Committee held five hearings to examine problems associated with MMS. At a September 13, 2006, hearing, Inspector General Earl Devaney bluntly described a “culture at the Department of the Interior that sustains managerial irresponsibility and a lack of accountability.” Similarly, in 2008, the Interior Department’s Inspector General found that MMS has given too much deference to oil companies, resulting in oil royalty payment contracts that disproportionately favored the companies.

Chairman Towns is concerned that regulatory failures at MMS may have been exacerbated by an institutionalized conflict of interest that has resulted in an emphasis on collecting oil drilling royalty payments, rather than ensuring safety. Nearly half of the agency’s annual budget comes from the oil industry in the form of fees and rentals, known as “offsetting collections.” In other words, while MMS has the power to shut down unsafe operations, it has an enormous incentive to keep the oil flowing.

“This Committee has been concerned with the effectiveness of MMS for many years and the *Deepwater Horizon* disaster has now exposed what appears to be continuing major problems at the agency,” said Chairman Towns. “It is time to take a hard look at the policies within MMS to determine whether they ensure safe offshore drilling.”

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Documents and Links

[Letter from Chairman Edolphus Towns to Secretary Ken Salazar](#)