



# A letter from

## SKIP KALTENHEUSER

**B**P has not been shy about telling its story over the years, hiring heavy-hitting public relations firms for media advice on everything from TV commercials to Twitter. Beyond dues to the trade group the American Petroleum Institute, BP pays millions to a plethora of influential lobbying firms. According to OpenSecrets.org, since 2000, elected members of Congress have received 802 contributions from BP, divvying up US\$800,000. It could be said that in times of adversity Big Oil maintains a cash position.

Indeed, in divining the peddling of influence on Capitol Hill, it's instructive to follow the petroleum industry. A non-profit, nonpartisan group, MAPLight.org, combined data from multiple sources to explore the impacts of industry largess. In the most recent election cycle, money flowed to legislators doing Big Oil's bidding, such as protesting the moratoriums the Obama Administration placed on offshore drilling in reaction to BP's Deepwater Horizon tragedy.

For example, in the last two years the oil industry gave Congressmen Pete Olson (R-Texas) and Bill Cassidy (R-La) US\$172,750 and US\$61,600 respectively, making them the third and 38th highest recipients of money from oil companies of the 435 members of the US House. US Senator David Vitter (R-La), marked the second highest Senate total, gleaning US\$559,386 from the industry over six years. All three have introduced bills calling for an end to the Obama Administration's moratoriums on offshore drilling.

In contrast, US representatives and senators calling for tough limits on offshore drilling were far lower on the list of those receiving payments from the oil industry. Rep Kathy Castor (D-

Fl) seeks to prevent offshore drilling around Florida. Rep Corrine Brown (D-Fl), wants to ban drilling off the entire East Coast and the Gulf of Mexico. Rep John Garamendi (D-CA) aims to designate the shores off the West Coast as no-drill areas. Rep Frank Pallone (D-NJ) seeks a permanent prohibition on drilling on the entire Outer Continental Shelf, which would include the East and West coasts, the Gulf of Mexico and the Alaskan coast. None received over US\$1,000 from oil interests over the last two years.

An examination of more moderate bills tends to correlate with sponsors receiving more moderate funding from the oil industry. Numerous bills haven't reached the floor for a vote, a generally reliable gauge of oil's clout.

But on 30 July, the US House surprised Washington, narrowly passing a major bill 209-193, despite frantic Republican opposition that also picked up oil patch and so-called Blue Dog Democrats as allies. Oil's last big regulatory overhaul was in 1978, a response to the environmental movement sped along by a 1969 oil spill in Santa Monica, California.

The new bill, The Clear Act, incorporates many facets, including some attempted in previous years that succumbed to oil's clout. Democrats like Nick Rahall (D-W Va) saw the opportunity to reassemble many of them after dozens of public Capitol Hill hearings drilled into Deepwater Horizon, showcasing industry excesses and its past capture of regulators.

Provisions include removing a liability cap for spill damages and renegotiating royalty-free licences for offshore wells that have cost the US billions in lost revenues. It toughens drilling and safety requirements and greatly increases fines for wilful violations. Ethics rules for regulators are more exacting, as are environmental analyses. Companies with poor safety and environmental records are barred from new offshore leases. A new tax on oil to fund conservation projects is



# Washington

included in the bill. Offshore rigs must operate under the US flag, with its tougher requirements, as opposed to, say, the Marshall Islands, where Deepwater Horizon was registered. Opponents decry the bill as a jobs-killer that strengthens OPEC, but the bill also lifts the drilling moratorium on companies complying with new safety requirements.

A MapLight analysis reveals that campaign contributions by oil and gas interests gave four times as much on average to lawmakers voting 'no', (US\$17,739), compared to those voting for passage, (US\$4,439). Republicans, of which only two voted in favour, received a combined US\$3 million from groups opposing the bill. Proponents gave them only about US\$110,000. Democrats received a combined US\$1,734,671 from groups trying to defeat passage, compared to US\$1,061,955 seeking passage.

A comparable bill passing this year in the Senate is a long shot, given the oil patch senators unlikely to help build the 60 votes needed to overcome a filibuster. Still, a bill responding to the Gulf debacle may have greater traction than an earlier energy bill that impressed many as too convoluted and unwieldy, and too cosy with a range of energy and finance industry interests. But if the House bill amounts to tilting at windmills, opponents will be propelled along the mid-term election trail, along with legislators who opposed finance reform. In much of the country, banks and oil companies are not first picks to lead a political parade.

Although many Democrats rely on big oil for major contributions to their campaigns, this past election cycle saw about 70 per cent of oil money going to the Republicans. Perhaps the most notorious carrier of the industry's grease is Joe Barton, (R-Tx), the top Republican recipient of oil money, around US\$193,000 in the last two years. Barton danced a stunning apology cha-cha, starting during a congressional

hearing with a jaw-dropping apology to BP's Tony Hayward for the Obama Administrations '20 billion dollar shakedown' - the US\$20 billion escrow fund for spill victims - which he referred to as a 'tragedy'. When this failed to impress the viewing public, Republican leaders called Barton to account, ignoring that he merely rephrased the Republican Study Committee's previous label, a 'Chicago-style shakedown'.

So, will Deepwater Horizon influence mid-term elections? Frustration with the spill has clearly had an impact upon psyches of people living on the Gulf, increasing depression over lost income and uncertainty over their way of life. The degree of helplessness it generates in the national psyche is anyone's guess. Whatever its impact, it's layered on frustrations with an economic recovery so meagre it barely improves employment. Also unsettling are unknown outcomes in Iraq and an Afghanistan quagmire where goals look hazy against the costs of blood and treasure. To many, it seems not to matter that President Obama was bequeathed economic disaster as well as foreign wars. Inroads into health care and finance reform haven't yet curbed the feeling of so much of life being out of control.

Staunching the Gulf's haemorrhage may vanquish the most visible image of helplessness, of our impotence against degradation of the Gulf, and of our hubris over our technological dominance. The sense of relief might improve the political fortunes of those who best articulate credible plans for keeping painful images of helplessness at bay.

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