



National Commission on the
BP DEEPWATER HORIZON OIL SPILL
AND OFFSHORE DRILLING

HIGHLIGHTS OF KEY RECOMMENDATIONS

Below are highlights of the Commission's key recommendations to improve the safety of offshore oil and gas drilling and mitigate the impacts of any future spills. Analysis and related materials providing further explanation and support for these recommendations can be found in the Commission's final report, *Deep Water: The Gulf Oil Disaster and the Future of Offshore Drilling*, and on the Commission's website at www.oilspillcommission.gov.

Safety and Environmental Protection

- Congress should create an independent safety agency within the Department of the Interior to oversee all aspects of offshore drilling safety.
- Interior should fully exercise its existing statutory authority in the drafting of leasing provisions to ensure that the offshore energy industry pays the costs of its regulatory oversight the way that other regulated industries, such as the telecommunications industry, pays the costs of its oversight by government. Congress should support Interior's efforts in this regard and provide the Department with supplemental authority as necessary. The costs of regulatory authority include the new independent safety agency, but also extend to the budgets of other regulatory agencies that oversee the offshore energy industry, including oil spill response planning, whose expenses should be paid for by industry rather than by the American taxpayer.
- Interior should toughen its baseline of prescriptive safety regulations applicable to offshore drilling to address the increased challenges presented by drilling in deeper waters and less well known geologic areas, and by the changing nature of the oil and gas industry. Interior should also supplement those regulations with a risk-based performance approach, similar to the "safety case" approach used in the North Sea, that requires all offshore drilling companies to demonstrate that they have thoroughly evaluated all of the risks associated with drilling a *particular* well or other operation, and are prepared to address any and all risks pertaining to that well or operation.
- Congress and Interior should enhance environmental protection by creating a distinct environmental science office within Interior headed by a chief scientist with well-specified responsibilities regarding environmental review and protection.
- Congress should amend the Outer Continental Shelf Lands Act to provide the National Oceanic and Atmospheric Administration with a more formal consultation role relating to environmental protection in Interior leasing decisions.
- Interior, in consultation with the Council on Environmental Quality, should revise and strengthen its NEPA practices and procedures consistent with that statute's requirements.
- The oil and gas industry must adopt a culture of safety. Much as the aviation, chemical, and nuclear power industries have done in response to disasters, the oil and gas industry must move towards developing a notion of safety as a collective responsibility. Industry should establish a "Safety Institute." Similar to organizations in other high-risk industries, such as the Institute of Nuclear Power Operations, this would be an industry-created, self-policing entity aimed at developing, adopting, and enforcing standards of excellence to ensure continuous improvement in safety and operational integrity offshore.
- Congress should increase its own awareness of the risks of offshore energy exploration and development. The House and Senate should each assign responsibility for the oversight of drilling safety and

environmental protection to a specific committee, and require that committee to hold an annual oversight hearing to consider the state of technology, application of process safety, and environmental protection.

Response and Containment

- The President should seek significantly increased funding for the key regulatory agencies that oversee oil spill response and planning, including Interior, Coast Guard, and NOAA.
- The President should require the creation of an interagency review process for oil spill response plans. Oil spill response plans should become publicly available once they are finalized.
- Interior, the Coast Guard, and the Department of Energy and its national laboratories should develop in-house expertise to effectively oversee containment operations in the immediate aftermath of a well blowout and to accurately estimate flow rates following a blowout.
- Interior should require, as a permit condition for operating on the outer continental shelf, that companies design wells that anticipate the potential need for containment should a blowout occur, and that they demonstrate they have immediate access to containment technologies that are rapidly deployable and effective in deepwater. Like oil spill response plans, these too should be subject to interagency review.
- The oil and gas industry should create and maintain readily deployable resources for rescue, response, and containment and should ensure such resources are available in the immediate aftermath of a well blowout.
- EPA should amend or issue guidance on the National Contingency Plan to establish distinct procedures for a Spill of National Significance, to increase state and local elected officials' involvement in spill response planning, to update dispersant testing and use protocols, and to create a mechanism for expert oversight of well containment.
- Congress should provide mandatory funding for oil spill research and response technology at a level equal to or greater than that authorized by the Oil Pollution Act of 1990.

Compensation, Impacts, and Restoration

- Congress should significantly increase the Oil Pollution Act's liability cap and financial responsibility requirements for offshore facilities, taking care to balance the competing policy concerns of ensuring full compensation for victims in the event of another major spill, and retaining competent independent operators in the offshore market.
- Congress should dedicate 80 percent of any Clean Water Act penalties from the *Deepwater Horizon* spill to long-term, region-wide restoration of the Gulf of Mexico.
- Federal agencies should make better use of new tools, such as coastal and marine spatial planning, to improve environmental protection, management of OCS activities, and ecosystem restoration efforts in marine environments.
- EPA should develop distinct plans and procedures to address human-health impacts during a "Spill of National Significance."
- Congress, federal agencies, and responsible parties should take steps to restore consumer confidence in the aftermath of a "Spill of National Significance."

Frontier Regions: The Arctic

- There should be an immediate, comprehensive federal research effort to provide a foundation of scientific information on the Arctic.
- The countries of the Arctic should establish strong international standards related to Arctic oil and gas activities. Such standards would require cooperation and coordination of policies and resources.