

# Fracking spill in Pennsylvania - BP sues Macondo partners for billions - Prized anti-reg study under fire - GOP's next attack on EPA

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By PATRICK REIS | 04/21/11 8:52 AM EDT

By Patrick Reis

(With reporting from Darren Goode, Darius Dixon and Robin Bravender)

**ON CUE** – Natural gas critics are on the warpath today after drillers spilled thousands of gallons of fracking fluid Wednesday when they lost control of a well in northern Pennsylvania.

The spill – which sent fracking fluids into local waterways and prompted the removal of families from a nearby township – is another black eye at a sensitive time for the petroleum industry, as groups nationwide gathered Wednesday to commemorate the anniversary of the BP oil spill in the Gulf of Mexico.

Environmental groups pounced on the incident. "Considering the sad state of regulatory enforcement in Pennsylvania and other drilling states, [the blowout] is sadly not at all surprising," Earthjustice spokeswoman Deborah Goldberg told Reuters: <http://reut.rs/fr8pbm>

Sen. Bob Casey attempted to walk a fine line, plugging natural gas as an economic boon for his state but saying the accident is a “reminder that there are dangers and that precautions must be taken.” He has been pushing a bill called the FRAC Act, which would allow EPA to regulate fracking and require companies to disclose the chemicals they use.

Chesapeake Energy, the company operating the gas well, said no one has been hurt.

**BP SUES MACONDO PARTNERS** – BP is going after its business partners on the ill-fated Macondo well, saying it wants all companies held accountable for their role in the Gulf spill. BP has sued Transocean, the company that owned the Deepwater Horizon rig, as well as Cameron, the firm that designed the failed blowout preventer.

BP estimates the total spill liability at nearly \$70 billion. It also faces tens of billions more in fines and penalties.

BP's suit leaves the trio tangled in a legal web: Transocean has also sued BP and Cameron, and Cameron has counter-claims of its own. Wednesday marked the legal deadline for filing claims, the BBC reports: <http://bbc.in/dO9CeG>

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not be more excited about MC Hammer's appearance at Obama's Facebook town hall yesterday. Please Hammer, don't hurt 'em. Please send your news, views and reasons for being 2 Legit 2 Quit to [preis@politico.com](mailto:preis@politico.com).

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## LEADING PRO TODAY

**FUZZY MATH** – Republicans who contend federal regulations cost the U.S. economy a bruising \$1.75 trillion per year are on shaky ground, as the validity of the oft-used cost estimate has come under fire.

GOP lawmakers have been prolific in citing the trillion-plus cost – derived from a report submitted last fall to the Small Business Administration – and have used it to bolster their case for a controversial measure that would give Congress much more control over agency regulations. (The report: <http://1.usa.gov/i27qHg>)

But the Congressional Research Service has come out with a report of its own that questions the cost estimate's validity. Even the authors of the Small Business Administration report say their research wasn't intended to be used to determine the "right" level of regulation, because they focused exclusively on regulation's costs and ignored the benefits. Bravender has more for Pros coming later this morning.

**EPA BUDGET WOES** – EPA and its allies in Congress just escaped one major attack but are headed straight for another. Republicans are hoping to hamstring the agency's regulatory agenda by starving it in the 2012 budget, completing work they left unfinished when EPA emerged from the last-minute budget deal without riders to curb its authority and only half the budget cut sought by GOP.

"There's going to be a bunch of cuts everywhere, and EPA is going to be hit up pretty hard," said Mike Simpson, the top Republican on the House panel charged with writing EPA's annual spending bill. "There [are] many of us that feel that EPA has gone outside the boundaries of what Congress has authorized them to do." Bravender and Goode have the details:

<http://politico.pro/gQGxIN>

**STRIKING BACK ON GAS** – Dinged by a recent study that claimed natural gas is worse for the climate than coal, gas supporters are striking back with a study of their own.

The new report published by the American Clean Skies Foundation – a group partially funded by the natural gas industry – says electricity from natural gas comes with half the carbon price tag of comparable coal-fired electricity.

The report contradicts a recent study from Cornell researcher Robert Howarth, who touched off a media tempest with a recent study contending that the total greenhouse gas emissions from shale-derived natural gas had been badly underestimated. Bob King has more on the high-stakes fight for Pros:

<http://politico.pro/fPXW7Q>

\*\* A message from America's Natural Gas Alliance: How do the nation's largest vehicle fleet operators improve their bottom-line and the environment? UPS, AT&T, Verizon and others are driving change with clean, abundant and American natural gas. <http://bit.ly/ejQgTj> \*\*

**MAKING THEIR CASE** – Officials from Oceana, an environmental group, are meeting with BOEMRE Director Michael Bromwich and his staff this morning to stress the damage done by the BP spill and plug their plan to decrease U.S. oil consumption.

**MAKING WAVES** – Newport, Ore., has won the rights to host the nation's first wave-energy test program, ending a two year search for the proper location. The one-square-mile offshore site will provide wave developers with a space to test new wave technologies, as well as to study their impacts on the surrounding environment. The site will be jointly funded by Oregon and the Department of Energy, and its proponents are hoping to have it open technology trials by the fall.

**GETTING IVY WITH IT** – Richard Lazarus, the executive director of the president's BP oil spill commission, is headed to Harvard Law to take a teaching post. He leaves Georgetown Law, where he taught environmental and natural resources law, as well as Supreme Court advocacy. Lazarus graduated from Harvard Law in 1979.

**EPA DEFENDER** – Clean Air Act standards will trigger nearly \$200 billion in capital investments over the next five years and create nearly 1.5 million jobs, according to a report to be published today by a coalition of pro-environment business groups. Speakers from the Clean Energy Group, Calvert Investment Management and Ceres will host a 10 a.m. call to plug the report. To download the report (PDF): <http://bit.ly/fjir6A>

**PROMISES, PROMISES** – CATO hosts a forum on "The False Promise of Green Energy," featuring University of Alabama professor Andrew Morriss, author of a book by the same title. Kate Gordon, the Center for American Progress's vice president for energy policy, will be on hand for a rebuttal and critique of the book. The event is at the CATO headquarters, 1000 Massachusetts Ave. NW.

## TODAY'S AGENDA

8 a.m.: Dean Prochaska, the smart-grid conformance coordinator for the National Institute of Standards and Technology, speaks on – you guessed it – smart-grid technology. 1725 I St. NW

8:30 a.m.: Volkswagen America CEO Jonathan Browning speaks at the final day of the Electric Drive Transportation Association Conference. Washington Convention Center

9 a.m.: Bureau of Labor Statistics Commissioner Keith Hall headlines the Federal Forecasters Conference, where speakers will focus on alternative energy, efficiency, recycling programs and air and water quality. Bureau of Labor Statistics conference and training center, 2 Massachusetts Ave. NE

11:30 a.m.: Energy Secretary Steven Chu and Housing and Urban Development Secretary Shaun Donovan announce a pilot program offering low-  
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cost loans for home efficiency upgrades. The news conference is in Bohemia, N.Y.

Noon: The Woodrow Wilson International Center for Scholars hosts a discussion on oil development in Africa featuring Oxfam officials and Mohammed Amin Adam, an expert on petroleum development in Ghana.

2 p.m.: Global Green USA hosts a 25th anniversary forum on the Chernobyl nuclear disaster, featuring Ukrainian Ambassador Olexander Motsyk. Rayburn B-340.

## ON THE INTERNET

**WSJ** – Small oil and gas companies in the Gulf of Mexico are surviving the aftermath of the BP spill, defying predictions that they would lack the cash reserves to remain operational: <http://on.wsj.com/gGhpb0>

**WaPo** – Japanese officials have banned residents from a 12-mile area around the Fukushima Daiichi nuclear power plant. Nearly all of the area's 80,000 residents left shortly after the nuclear incident began, but the new order gives police the authority to restrict them from coming back: <http://wapo.st/hHzVGh>

**NYT** – Even before the BP spill, the Gulf Coast was home to an ongoing environmental catastrophe, but some advocates are hoping the spill can be the catalyst to reverse the trend: <http://nyti.ms/gK8unv>

**THAT'S IT FOR ME** – Your host thanks you for reading and humbly suggests you find a moment today to explore the work of Tim Hetherington, a photojournalist who lived and died to bring us tough truths from faraway places. Rest in peace.

\*\* A message from America's Natural Gas Alliance: One solution for more abundant domestic energy is staring us in the face. Natural gas is the natural choice—now and in the future. We know we need to use cleaner, American energy. And, we have it. Today, the U.S. has more natural gas than Saudi Arabia has oil, giving us generations of this clean, domestic energy source. Natural gas supports 2.8 million American jobs, most states are now home to more than 10,000 natural gas jobs. As Congress and the Administration look for ways toward a cleaner tomorrow, the answer is right here: natural gas. Learn more at [www.anga.us](http://www.anga.us). And, follow us on Twitter @angaus. \*\*

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