

Leak may not mean new laws

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### Comments (0)

Scott H. Segal was a brand-new lobbyist when he came to Washington two decades ago, and walked right into the debate over one of the biggest pieces of environmental legislation of the century: The Oil Pollution Act.

The law was spurred by the Exxon Valdez oil tanker running aground in Alaska on March 24, 1989, and spilling its cargo into Prince William Sound.

Like the April oil rig explosion on the BP Deepwater Horizon rig that killed 11 workers and resulted in the discharge of 4.9 million barrels of oil into the Gulf of Mexico, the Exxon Valdez incident ignited a cry for legislation to curb the oil industry.

Segal represented inland barge operators who carried oil along the Gulf Intracoastal Waterway, and who would be affected, in the same way as the monster oil tankers, by any new law.

Over an 18-month period, the oil act was crafted, and was eventually approved in the House and the Senate unanimously, thanks to compromises hammered out by moderate Democrats and Republicans, even though Democrats controlled both chambers, Segal said.

Now, new legislation is being called for as a result of the BP disaster, and Segal is watching as a partner from the Washington office of the Houston-based Bracewell & Giuliani LLP, a law firm that handles energy issues.

U.S. House Republicans, now in control, see new legislation as an intrusion on the energy economy and a new level of government bureaucracy.

Democrats passionately protest that new laws are necessary to prevent another BP accident from happening. Segal has seen the arguments 20 years ago, but said one aspect needed to pass any new laws is missing: compromise.

“It was very much the exception not the rule,” Segal said of any partisanship during the Oil Pollution Act debate. “People didn’t bark at each other.”

Opinions differ as to whether any new legislation can be crafted with parties at such odds.

Last week, the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, appointed by President Barack Obama, released its findings on the disaster, and made 15 recommendations on how to improve industry safety and government oversight.

Jerry Taylor, a senior fellow at the Cato Institute, a libertarian Washington policy research organization, said more than a report will be needed to push Congress into drafting new laws.

“I’m not sure that anything is going to happen,” Taylor said. “I don’t know that these recommendations translate into legislation.”

Russell Randle, a lobbyist with the Washington-based Patton Boggs firm who wrote the “Oil Pollution Deskbook,” disagrees.

“A lot of the back-and-forth has occurred,” Randle said of the debate. “I think we’ll see something before the end of this calendar year.”

One difference between the BP blast and the Valdez spill is the media. For weeks, television footage showed oily birds and workers in space suits with toothbrushes cleaning up Prince William Sound.

The BP catastrophe dominated the news while the leak continued but has now been replaced in the 24-hour news cycle with fresh events, such as the shooting of a congresswoman.

The Oil Pollution Act also provided more common sense to industry regulations, said Republican U.S. Rep. Jeff Landry of New Iberia, who sits on the House Natural Resources Committee that will be handling any new legislative proposals.

One of the main changes that came out of the 1990 law was that vessels had to have double hulls, to prevent leaks. But that rule was phased in, giving some shippers up to 2014 to comply, Landry said.

“We didn’t shut down the movement up and down our coasts,” Landry said. “We gave industry time to respond to the lessons of Valdez. We’re not doing that here.”

In releasing the report last week, commission co-chair William Reilly said some legislation must come from the lessons learned from the BP Deepwater Horizon tragedy.

“If dramatic steps are not taken, I’m afraid that at some point in the coming years, another failure will occur,” Reilly said. “And we will wonder, “Why did Congress ... Why did the administration ... Why did the American people allow this to occur again?’ ”

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