

The deepwater horizon oil spill and its political issues

[Environment](#), [Disaster](#)



For many oil companies, the Gulf represents some of their most profitable and promising properties. The White House is seemingly making an increased show of pressuring BP, but President Obama is facing political heat from within his own party for what some say has been a lackluster response to the oil spill in the Gulf of Mexico. Since the spill began, there has been some intense political debate regarding BP's responsibility, the government's response, and the extent of the environmental damage.

Matthew Dowd, political consultant and chief pollster to former President George W. Bush, said the incident is likely to pose a huge political problem, similar to what President Bush faced after Hurricane Katrina. Administration officials also said the government will make changes to the way it allows offshore drilling, including new measures for the permitting process, new safety requirements for offshore rigs, and what was described as "strengthened" inspections for drilling operations.

Having taking at least partial ownership of the crisis, the Obama administration is redoubling efforts to crack down on BP, sending a letter to CEO Tony Hayward complaining that his promises to provide complete and timely information on the spill " have fallen short in both their scope and effectiveness. BP has already agreed to set aside \$20 billion over several years to pay for claims resulting from the oil spill. The company has paid the U. S. government \$390 million for the cost of cleanup and received an additional bill for \$128. million from the Obama administration. Obama and his senior White House staff, as well as Interior Secretary Ken Salazar, are working with BP's chief executive officer Tony Hayward on legislation that

would raise the cap on liability for damage claims from those affected by the oil disaster from \$75 million to \$10 billion. However, WMR's federal and Gulf state sources are reporting the disaster has the real potential cost of at least \$1 trillion.

Critics of the deal being worked out between Obama and Hayward point out that \$10 billion is a mere drop in the bucket for a trillion dollar disaster but also note that BP, if its assets were nationalized, could fetch almost a trillion dollars for compensation purposes. There is talk in some government circles, including FEMA, of the need to nationalize BP in order to compensate those who will ultimately be affected by the worst oil disaster in the history of the world. The Obama administration also conspired with BP to fudge the extent of the oil leak, according to our federal and state sources.

After the oil rig exploded and sank, the government stated that 42, 000 gallons per day was gushing from the seabed chasm. Five days later, the federal government upped the leakage to 210, 000 gallons a day. Obama aides stressed that BP would bear the cost of the spill, including the cost of plugging the well, cleaning shorelines and paying for government air and water tests. Separately, fishermen and others anticipating environmental damage filed class-action suits against the company. On a day when the stock market rose broadly and sharply, BP's stock price fell more than 8 percent to \$52. 56 a share.

In the minds of politicians and strategists, the oil has practically become a giant ink blot, a Rorschach test in which each of the opposing sides sees proof of “ the larger narrative. ” Florida Sen. Bill Nelson called on Obama to

step back from his expanded offshore drilling plans. In a letter to the president, Nelson said he would file legislation to ban the Interior Department from following through on Obama's proposal for new seismic and drilling activity. He said the gulf spill " may be an environmental and economic disaster that wreaks havoc for commercial fishing and tourism along the Gulf of Mexico coast. Reference : <http://www.nytimes.com/2010/06/30/us/politics/30polmemo.html?pagewanted=1>
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