

Expert: Seven-year moratorium on Gulf oil drilling an unwise decision

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The recently announced seven-year moratorium on offshore drilling is yet another example of the short-sightedness of the US Department of the Interior, says John W. Kindt, a professor of business and legal policy at Illinois and expert on marine pollution. Credit: L. Brian Stauffer

The Obama administration's decision to maintain a ban on oil drilling in the eastern Gulf of Mexico and off the Atlantic and Pacific coasts is a mistake, according to a University of Illinois expert who wrote a six-volume book series on marine pollution.

"It's a ridiculous decision on the part of the Interior Department," said John W. Kindt, a professor of business and legal policy at Illinois. "The previous 180-day moratorium really hurt a lot of businesses. Well, a seven-year ban is going to sting even more."

Kindt says giving the oil companies a public spanking through a seven-year ban isn't going to solve our energy problems, and that unreasonably

prohibiting [offshore drilling](#) will not only exacerbate the region's [economic woes](#), it also will strengthen U.S. dependence on foreign oil.

"Our motto should be 'Drill, Baby, Drill' but 'Safely, Baby, Safely,'" he said. "We have two wars in the Middle East, and while we do need alternate sources of energy, in the interim we still need to safely develop our off-shore resources. That means we need to open up both the East Coast and California for drilling, although California is not going to like that. But we've got to be able to walk and chew gum at the same time."

According to Kindt, the author of "Marine Pollution and the Law of the Sea," a six-volume series that examines protecting the world's oceans while encouraging development of essential resources, the real villain in the new contretemps is not BP (formerly British Petroleum), but the Department of the Interior, with the recently announced seven-year moratorium serving as yet another example of what he says is the department's shortsightedness and incompetence.

"The real issue is the Interior Department, which is the most scandal-ridden agency in American history," he said. "Along with an inability to regulate, the entire department is rife with conflicts of interest, which came to light during the BP fiasco when Interior Secretary (Ken) Salazar was making statements to the effect of, 'We've got our heel on the throat of BP.' Statements like that were just a way to divert attention away from their own inadequacy."

Kindt argues the Interior Department is just as culpable as BP for the disaster in the Gulf yet has somehow avoided any real scrutiny in the court of public opinion.

"The regulators at Interior didn't just have a cozy relationship with the people they're supposed to be regulating, they had outright [conflicts of interest](#)," he said. "I fault the regulators at Interior for not doing what

they should have been doing."

But that's not to say that BP should be given a free pass, Kindt says. BP is guilty of managerial arrogance, and "not looking out for the public interest."

"BP's management needs to be much more focused on emergency action and safety concerns," he said. "For years we've been talking about the Exxon Valdez oil spill, which resulted in billions of dollars of liabilities for Exxon. That's going to be dwarfed by whatever BP is going to have to pay, when all is said and done. So from a strategic management perspective, safety pays. We've been saying for years that the oil companies should have learned from the Valdez debacle after Exxon had allowed the safety mechanisms to lapse as part of a cost-cutting measure."

When firms get rid of their internal independent safety and monitoring mechanisms, huge problems inevitably develop, Kindt says.

"The classic example is Enron and Arthur Andersen," he said. "About five years before the Enron-Arthur Andersen debacle, Arthur Andersen eliminated its own best internal monitoring practices and people as a cost-saving measure. Obviously, that didn't work out too well for them. The bottom line isn't always the dollar. You need a responsible management team in place, because the pressure is always going to be to grab the fast buck."

Provided by University of Illinois at Urbana-Champaign

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