Reform in Real Time: Evaluating Reorganization as a Response to the Gulf Oil Spill*

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Notwithstanding the human, economic, and ecological suffering that accompanies regulatory disasters, such tragedies present opportunities for improvements to the regulatory structures designed to control the risks which prompted the failure. Still, precisely because they are calamitous, such events create intense pressure for forceful action even when the set of solutions is inadequate to address the issues at hand (Kingdon 2003, Carrigan & Coglianese 2012). While outwardly dramatic, the political response in such cases can be merely symbolic, doing little to actually address the public’s desire that its government better manage the associated hazards (Edelman 1967, Mayhew 1974). In these situations, apart from presenting the appearance of being responsive, the resulting actions will be of little use in effecting productive change and, worse still, can convey the false message that the underlying problems have been remedied.

In this chapter, I ask which of the two boundaries on the range of possible reactions to regulatory disaster – effective change or symbolic action – more closely describes the U.S. response to the tragic 2010 oil spill in the Gulf of Mexico. The Gulf oil disaster began with the death of 11 oil rig workers after the April 2010 explosion and fire on the BP-leased Deepwater Horizon drilling rig and ended with several million barrels of oil being spilled into the Gulf. I consider how the Gulf disaster impacted public and political views of the appropriate balance among competing objectives: developing offshore oil and gas reserves, collecting the

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accompanying tax revenue from oil and gas companies, and ensuring that drilling was conducted in an environmentally responsible way. Moreover, I review the range of U.S. government and industry responses to the tragedy before specifically linking public and political attitudes to perhaps its most dramatic reform – the disbanding of the Department of the Interior’s (DOI) regulator of offshore oil and gas development less than one month after the initial explosion. Prior to its breakup, the Minerals Management Service (MMS) employed roughly 1,600 workers (Minerals Management Service 2010) not only to regulate offshore production but also to lease federal offshore properties and collect taxes associated with private oil and gas production on all government-owned property.

I first demonstrate that the spill interrupted a pronounced long-term shift in political and public preferences toward focusing more effort on boosting oil and gas production and less on ensuring it was conducted safely and environmentally responsibly. Yet, while the Gulf disaster did encourage politicians and citizens to question their previous views, the effect proved transitory. Even before the well was capped, focus again shifted to finding ways to intensify exploration to control energy costs. Second, in contrast to popular opinion, I describe how the reorganization of government oil and gas management functions had been a source of ongoing debate well before the onset of the spill. Still, these existing reform proposals envisioned a very different structure which, instead of dividing MMS’s offshore leasing, regulatory oversight, and revenue collection missions, would have streamlined minerals management activities and, in some cases, consolidated them at one government entity. The purpose of the proposals for such a radically different structure was to resolve perceived long-standing inadequacies in DOI’s performance as tax collector. Third, contradicting its outwardly dramatic aura, I show that the decision to formally divide the three missions had little impact on how the personnel charged
with achieving them interacted. Rather, from an operational perspective, the reorganization appears to have done little to alter governmental oil and gas management processes.

In combination, these insights demonstrate that the dismantling of MMS in reaction to the Gulf oil disaster does not fit neatly into the category of a reform that can be expected to substantially reduce the possibility of future breakdowns. Neither is it one that in its role to placate the intense pressure for action in the wake of calamity offers little hope of promoting the public interest. Rather, the disbanding of MMS in the aftermath of the Deepwater Horizon tragedy reveals the possibility that symbolic responses can serve – either by accident or on purpose – a third objective, one which staves off meaningful action until social preferences completely recalibrate.

Particularly when the dramatic swing in risk perception is ephemeral and diverts attention from more durable reform efforts, a truly symbolic act can limit the degree to which associated actions lock in programs which move policy away from true social preferences. This is true precisely because symbolic responses have few measurable effects. Dissolving MMS did not address long-standing concerns about the failure of DOI to collect royalties due the federal government. Even so, the reorganization also did little to impede the federal government’s ability to remain politically responsive given the possibility (and resulting reality) that the public and its political representatives would shift their attention back to reducing energy costs and increasing oil and gas royalties as environmental concerns raised by the Gulf disaster began to fade.

Building Political and Social Pressure for Development

In compiling its top 10 U.S. news stories of 2010, Time Magazine named the Gulf oil spill number one (Tharoor 2010). The disaster, which began on April 20, 2010 with the initial
explosion aboard the *Deepwater Horizon* drilling rig, resulted in an estimated 4.9 million barrels of oil being dumped into the Gulf of Mexico, making it far and away the biggest oil spill in U.S history (National Commission 2011). In comparison, the *Exxon Valdez* spill in March 1989, which up to 2010 was the largest offshore spill in the U.S., deposited approximately 250,000 barrels into Alaska’s Prince William Sound (Skinner & Reilly 1989). While no small number, the Gulf disaster nevertheless produced a spill more than an order of magnitude greater than *Exxon Valdez*. By the time the well was more or less capped in mid-July 2010, the story had captivated the nation and introduced people to a litany of new terms including “top-kill” and “junk shot” as BP, scientists, and the federal government tried frantically to stop oil from gushing from the Gulf of Mexico seafloor (Fountain 2010).

In addition to capturing public attention, the spill at least temporarily reversed a gradual but marked swing in political and social preferences toward emphasizing oil and gas production over environmental and drilling safety. By the mid-1990s, Congress and the executive office had begun to push for greater exploration on the Outer Continental Shelf (OCS), which included all federally-owned submerged lands in the Gulf, along the Pacific coast, and surrounding Alaska (National Commission 2011). In November 1995, Congress passed the Deep Water Royalty Relief Act (DWRRA) which amended the 1953 Outer Continental Shelf Lands Act (OCSLA). In addition to establishing the process for leasing OCS property, the OCSLA explicitly described the balance needed to protect offshore lands while simultaneously utilizing them to support U.S. energy policy goals (Outer Continental Shelf Lands Act 1953).

The DWRRA waived royalty payments on western and central Gulf leases offered for sale until near the end of 2000 as long as the associated lease was in deep water (i.e. required drilling in water deeper than 200 meters) and had not yet produced a substantial oil and gas. The Act also
provided royalty relief for existing leases if the company could show that it would not be able to extract oil and gas from the property economically without it (Outer Continental Shelf Deep Water Royalty Relief Act 1995). Not surprisingly, this law had important effects on Gulf oil and gas operations. MMS recalled in a later budget justification that the Act had “triggered record-breaking lease sales in 1997 and 1998…and opened the door to increased deepwater production” (Minerals Management Service 2004, p. 80). As a consequence, it had significant implications for MMS’s offshore oil and gas oversight program as well.

Prompted by an emphasis on regulatory innovation through President Clinton’s National Partnership for Reinventing Government (Kamensky 1999), MMS began to increasingly engage in negotiated rulemaking in the early to mid-1990s, forming committees to, for example, propose gas valuation rules and settle issues connected to controversial pacific OCS leases (Cedar-Southworth 1996, p. 4; Minerals Management Service 1995, p. 11). MMS’s interest in collaboration was encouraged by a variety of oil and gas participants. In reacting to a 1993 report by a group tasked to study OCS policy that including representatives from industry, coastal states, and environmental organizations, then Secretary of the Interior Babbitt acknowledged that one of the most noteworthy committee recommendations was that OCS operations “should be regenerated based on consensus” (Minerals Management Service 1994).

While MMS’s efforts to adopt a more cooperative approach were already in motion, the 1995 DWRRA further encouraged this move. The Act explicitly promoted deep water drilling despite the fact that the technology to support it safely was not yet available (National Commission 2011). MMS’s continued participation in initiatives including the DeepStar Research Project – which pulled together major oil and gas companies and their vendors to jointly design processes and technologies to drill in deep water – became more critical to MMS’s
operations (Minerals Management Service 1996, p. 85). In recounting the lessons from MMS’s initial efforts to oversee deep water exploration, Associate Director Carolita Kallaur explained, “there is tremendous value from collaboration between government, industry and the scientific community in the area of research and operational requirements. This is particularly true if it is found that the operating environment is totally different from what one is used to” (Kallaur 2001).

In addition to encouraging continued regulatory collaboration, the White House, which was beginning to emphasize development anyway, accelerated its push for greater oil and gas exploration during the presidency of George W. Bush. President Bush’s 2008 Memorandum for the Secretary of the Interior represented a significant break from previous policy, opening up all areas of the OCS except marine sanctuaries for exploration (Bush 2008a). The President noted, “One of the most important steps we can take to expand American oil production is to increase access to offshore exploration” (Bush 2008b). Prior to the onset of the Gulf spill, the Obama administration shared President Bush’s enthusiasm for offshore drilling. Accompanying his 2010 Memorandum which removed only Alaska’s Bristol Bay from leasing consideration, President Obama declared “today we’re announcing the expansion of offshore oil and gas exploration” (Obama 2010a, 2010d).

Congress also continued to support the policy shift. Each law it passed in the 15 years beginning with the DWRRA was primarily focused on either encouraging offshore exploration or increasing tax collections. This list included the 1996 Federal Oil and Gas Royalty Simplification and Fairness Act, the 2005 Energy Policy Act, and the 2006 Gulf of Mexico Energy Security Act. For example, despite extending moratoria near Florida’s coast, the Gulf of Mexico Energy Security Act simultaneously mandated that MMS attempt to lease 8.3 million
acres within one year (Gulf of Mexico Energy Security Act 2006). Prior to the law, offshore drilling had been banned from close to 70 percent of that submerged land. These latter 15 years presented a stark contrast to the prior period beginning with the 1982 creation of MMS where laws including the 1986 OCSLA Amendments and the 1990 Oil Pollution Act demonstrated a much more balanced approach to offshore development.

Table 1 – Subject Matter of Congressional Hearings in Which MMS or Successor Agency Personnel Testified by Topic (1982 – 2012)

<table>
<thead>
<tr>
<th>Period</th>
<th>Evaluation</th>
<th>Leasing</th>
<th>Environment</th>
<th>Regulation</th>
<th>Revenue</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982-1995</td>
<td>28</td>
<td>25</td>
<td>41</td>
<td>22</td>
<td>24</td>
<td>77</td>
</tr>
<tr>
<td>1996-2009</td>
<td>20</td>
<td>14</td>
<td>13</td>
<td>1</td>
<td>20</td>
<td>41</td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td>4</td>
<td>8</td>
<td>13</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>2011</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>7</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>2012</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>

Notes: The table does not include budget hearings. To categorize a hearing, its title and summary description were reviewed. Where clarification was necessary, the testimony was examined as well. For each table row, the sum of the topic count exceeds the total because hearings often involve multiple topics. Evaluation refers to identifying areas for oil and gas exploration, and leasing refers to leasing properties to oil and gas producers. The Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, and the Office of Natural Resources Revenue are the successor organizations to MMS. Source: Proquest Congressional.

The shift in congressional focus is further illustrated in Table 1. The table categorizes the subject matter of hearings which included testimony of an employee of MMS or, after its breakup in 2010, one of its successors over the period from MMS’s creation in 1982 through 2012. Over the 14 years from 1982 to 1995, environmental and regulatory issues generated more combined interest than evaluation and leasing issues as measured by how often they were the subject of hearings during the period. In contrast, during the 14 years from 1996 through 2009, evaluation and leasing were close to two and a half times more likely to be considered than environment and regulation. Furthermore, since hearings debating statutes designed to increase offshore exploration also included representation among environmental groups, the counts for environment and likely regulation are potentially inflated.
The numbers for regulation are even more striking. From 1982 through 1995, 22 hearings included a substantial discussion of offshore regulation. In contrast, only one hearing involved an important consideration of regulatory issues over the 14 years leading up to the Gulf spill. Even that hearing was focused on the Bureau of Land Management’s (BLM) onshore regulatory program and, as a result, included relatively little mention of MMS’s offshore regulatory responsibilities (Subcommittee on Energy and Mineral Resources of the Committee on Resources 1996).

**Figure 1 – Gallup Poll Results Measuring Public Preference for Economic Growth or Environmental Protection (1984 – 2012)**

![Gallup Poll Results Chart](http://www.gallup.com/poll/137888/Energy-Environment.aspx)

Notes: The percentages were compiled using all Gallup polls conducted from 1984 and 2012 which asked: “With which of these statements about the environment and the economy do you most agree – [ROTATED: protection of the environment should be given priority, even at the risk of curbing economic growth (or) economic growth should be given priority, even if the environment suffers to some extent?” % for Economic Growth – % for Environment was computed by subtracting from the percent of people that placed greater importance on economic growth the percent that preferred environmental protection. Sources: Gallup (2010), *Energy Environment*, http://www.gallup.com/poll/137888/Energy-Environment.aspx. Gallup (2012), *Americans Still Prioritizing Economic Growth Over Environment*, http://www.gallup.com/poll/153515/Americans-Prioritize-Economic-Growth-Environment.aspx.
Shifting political priorities over the period reflected public sentiment on energy issues as well. Figure 1, which summarizes repeated Gallup polls asking respondents their preference for environmental protection or economic growth, reveals a growing concern for the economy, particularly beginning around 2000. In April 1990, respondents favored focusing on environmental protection even if it caused the economy to suffer by close to a four to one margin. By early 2010, those that prioritized economic growth exceeded those for the environment by 15 percentage points. This dramatic reversal is consistent with the results of another Gallup poll which, beginning in March 2001, asked people specifically about whether energy production or the environment should be prioritized. Although those for environmental protection held a 16 percent percentage point margin in 2001, the March 2010 poll revealed that 50 percent preferred energy development relative to only 43 percent who believed the environment should be the primary focus (Gallup 2013).

Public and Political Response to the Gulf Oil Spill

While the oil and gas industry itself certainly supported efforts to expand production, the previous section has shown that so did Congress, the Executive Office, and the public over an extended period prior to the Gulf oil spill. The dramatic images and sheer magnitude of the Gulf oil disaster had important short-term impacts on those preferences. As one consequence, intense media coverage in the days following the explosion raised awareness of the technological sophistication required to drill for oil and gas in deep water.

Prior to the spill, the U.S. had few recent examples to draw upon which would demonstrate what can go wrong when drilling for offshore oil. A 1998 commissioned study by the Coastal Marine Institute commented “that the data available show a remarkable decline in accidents and
oil spills over the past two decades” (Coastal Marine Institute 1998, p. 37). Relative to the 10-year period which preceded it in which over 430,000 barrels were deposited in offshore waters, during the entire 35 years from 1975 through 2009, OCS activities only accounted about 121,000 barrels spilled, well under a third of the amount in 25 more years (Bureau of Ocean Energy Management, Regulation and Enforcement 2011). Perhaps more poignantly, the BP disaster deposited more than 40 times more oil into the Gulf in three months than what was spilled during the 35 years that preceded it (Carrigan 2013). Even considering a small uptick between 2004 and 2006 associated with damage to offshore platforms from Hurricane Katrina, spillage rates did not display any measurable trend upward prior to the Gulf disaster despite climbing production and the move to deeper water (Bureau of Ocean Energy Management, Regulation and Enforcement 2011). Reflecting a broadly-held view drawn from several decades of experience, President Obama declared less than three weeks before the Deepwater Horizon explosion and fire that “oil rigs today generally don’t cause spills. They are technologically very advanced” (Obama 2010b).

In addition to presenting an instance intensely at odds with prior history, the Gulf oil spill simply focused attention on offshore oil and gas drilling. The extent to which this is true is demonstrated by Figure 2 which shows monthly the number of articles from the New York Times and Washington Post which included the words “offshore” and either “oil” or “gas” over the period from January 2002 through December 2012. As the figure demonstrates, the period between 2002 and the beginning of 2010 demonstrated a consistent level of interest in oil and gas with the exception of two spikes. The first corresponded to coverage of the political controversy associated with China National Offshore Oil Corporation’s effort to buy Unocal (Lohr 2005). The second spike which occurred during the second half of 2008 was in response to a

**Figure 2 – New York Times and Washington Post Offshore Oil and Gas Article Mentions (January 2002 – December 2012)**

Notes: The number of articles each month was computed as the sum of all New York Times and Washington Post articles which included the words “offshore” plus either “oil” or “gas” in them. The RIK Program refers to the Royalty in Kind Program, overseen by a subgroup within MMS’s Minerals Revenue Management division which accepted tax payments from oil and gas producers in kind. Source: Lexis Nexis Academic.

The memorandum and associated investigative reports principally focused on the unethical actions during the first half of the 2000s of members of the Royalty in Kind (RIK) Program, a group of roughly 50 employees in MMS’s Minerals Revenue Management (Revenue Management) division (Minerals Management Service 2007). The reports document the large numbers of industry gifts – including invitations to parties, free meals, trips, and event tickets – that nine of the 19 accused workers received in addition to the sexual relationships that two of the same employees had with industry contacts (Devaney 2008; Office of the Inspector General
During the investigations, OIG uncovered evidence that at least one RIK employee held another job that was not disclosed (Office of the Inspector General 2008b) and that three senior members of Revenue Management ignored “post-employment restrictions,” organizing opportunities for two retired employees to provide consulting services to MMS (Devaney 2008, p. 2; Office of the Inspector General 2008a).

Still, the increased attention resulting from RIK Program employees’ indiscretions paled in comparison to the dramatic increase in news coverage as the events unfolded with the onset of the spill in April 2010. Relative to March when 20 articles mentioning oil and gas appeared in the New York Times and Washington Post, by May, coverage had increased by 10 times to over 200 articles. However, almost as dramatic as the spike in interest, Figure 2 also shows how quickly attention waned in the two papers in the months following the capping of the well in July 2010. While the well was still spilling oil into the Gulf during June and the first half of July, articles volumes had already declined to a level which approximated the coverage when the OIG communication was released in 2008. By August 2010, reporting on offshore oil and gas in the New York Times and Washington Post had settled back to a much lower level which continued to exceed but began to approach what had been the long-term trend between 2002 and 2010.

Not only was the dramatic increase in newspaper coverage of offshore oil and gas operations short-lived, but so was the relative emphasis that the public placed on environmental protection relative to economic growth and energy development during the crisis. Recalling Figure 1, the Gallup poll conducted in May 2010 while oil was still flowing into the Gulf did demonstrate a measurable increase in respondents who viewed environmental protection as more important than economic growth. In fact, a greater percentage of respondents indicated that the environment should be the priority. Yet, the poll conducted in March 2011 showed that relative
concern for the environment had subsided less than a year after the initial explosion. By that time, attitudes toward energy development and environmental protection had largely returned to their longer-term trends. Relative to the poll conducted in March 2010 when respondents emphasizing economic growth exceeded those for the environment by 15 percentage points, by March 2011, the spread had actually widened to 18 percentage points despite the Gulf disaster.

Gallup polls asking individuals to specifically prioritize energy production or the environment show a similar but even more pronounced rebound. A month after the onset of the spill, concern for the environment outpaced development by 16 percentage points which represented exactly the same spread as the first poll had shown in 2001. By March of the next year, 50 percent of respondents agreed that development was a greater priority while 41 percent opted for the environment, a nine point difference which represented the largest in the poll’s history. Although the spread shank in subsequent polls, even in April 2013, respondents still showed a slight preference for energy development relative to environmental protection (Gallup 2013).

Congressional activity demonstrates similar patterns to those found for the news media and in public opinion polls. As displayed in Table 1, the number of hearings which considered offshore regulation and the environment substantially increased directly after the onset of the spill. In fact, the volume of hearings on regulatory issues in 2010 was greater than the total that considered regulation in the 20 previous years combined. But similar to media coverage and public opinion, interest quickly tapered off. The total number of hearings declined slightly from 14 to 12 in 2011 and decreased more quickly to 5 in 2012, as did the number that specifically focused on regulatory and environmental issues. By 2012, the volume and makeup of hearings looked remarkably similar to patterns of congressional oversight prior to the spill.
Reforming Oil and Gas Operations with the Spill

Despite its fleeting political and public reaction, the Gulf spill did spawn numerous reforms within both government and the oil and gas industry. [DISCUSSION OF SET OF REFORMS HERE]

Table 2 – Reforms Enacted in Response to Gulf Oil Spill (May 2010 – May 2013)

<table>
<thead>
<tr>
<th>Action</th>
<th>Date</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drilling Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim Final Rule</td>
<td>October 2010</td>
<td>Imposed requirements for drilling such as maintaining bore integrity and oversight of blowout preventer</td>
</tr>
<tr>
<td>Final Rule</td>
<td>August 2012</td>
<td>Formalized API's RP 65 (Part 2) mandating process for isolating potential flow zones</td>
</tr>
<tr>
<td>Workplace Safety/Safety and Environmental Management Systems (SEMS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workplace Safety Final Rule</td>
<td>October 2010</td>
<td>Codified API's RP 75 requiring operators to prepare identify, address, and manage safety/environmental hazards</td>
</tr>
<tr>
<td>SEMS II Final Rule</td>
<td>April 2013</td>
<td>Empowered any and all industry personnel to halt operations due to dangerous activity</td>
</tr>
<tr>
<td>Moratorium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial</td>
<td>May 2010</td>
<td>Suspended pending, approved, and current offshore drilling of new deepwater wells in Gulf and Pacific for six months</td>
</tr>
<tr>
<td>Revised</td>
<td>July 2010</td>
<td>Restricted moratorium to drilling operations using blowout preventers</td>
</tr>
<tr>
<td>Lifted</td>
<td>October 2010</td>
<td>Repealed moratorium but stipulated operators must comply with NTLs and Drilling Safety Interim Final Rule before resuming</td>
</tr>
<tr>
<td>Notice to Lessees and Operators (NTLs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety NTL Imposed</td>
<td>June 2010</td>
<td>Implemented recommendations from DOI's May 2010 &quot;Safety Measures Report&quot; including operator certifications</td>
</tr>
<tr>
<td>Environmental NTL</td>
<td>June 2010</td>
<td>Required operator exploration plans submitted to BOEM to include blowout scenario and description of steps taken to prevent blowout</td>
</tr>
<tr>
<td>Safety NTL Vacated</td>
<td>April 2012</td>
<td>BSEE vacated NTL in response to legal challenge claiming it violated Administrative Procedures Act</td>
</tr>
<tr>
<td>Organizations/Institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbanding of MMS</td>
<td>May 2010</td>
<td>Divided MMS into three separate DOI agencies: ONRR, BOEM, and BSEE</td>
</tr>
<tr>
<td>Center for Offshore Safety</td>
<td>March 2011</td>
<td>Organized to promote effective practices for operators and focus on API's RP 75</td>
</tr>
<tr>
<td>Ocean Energy Safety Institute</td>
<td>May 2013</td>
<td>Created to spur offshore safety research and identification of &quot;Best Available and Safest Technology&quot;</td>
</tr>
</tbody>
</table>

Notes: Reforms listed are only those specifically enacted. Those contemplated, but not implemented are not included.
Driving Oil and Gas Royalty Collection through Reorganization

Contrasting vacillating public and political preferences with regard to the appropriate balance between energy development and regulatory oversight, over a period of several decades, Congress and other commentators remained persistent in their criticism of DOI as the federal government’s oil and gas tax collector. By the late 1950s, the U.S. Geological Survey (USGS) – the agency within DOI authorized in 1926 to collect royalties associated with energy and minerals extraction on government-owned land – was the object of intense scrutiny by the Government Accounting Office (later renamed the Government Accountability Office or GAO) and OIG (Minerals Management Service 1995). An independent panel known as the Linowes Commission, which was formed in 1981 to study royalty collection, accused USGS of costing the government hundreds of millions each year in lost tax revenue. Beyond habitually collecting too little in royalties, USGS proved incapable of combating efforts by oil companies to simply remove oil from fields without declaring it to avoid paying taxes (Linowes Commission 1982).

In the view of many, USGS’s organizational design contributed to its failure. Because tax collection was independently conducted in each of its 11 regional offices, the function never gained traction in the “scientifically oriented” agency (Linowes Commission 1982, p. xvi). As a result, USGS was not “able to supply the active sophisticated management that [was] needed” (Linowes Commission 1982, p. xvi). Hoping to spur the creation of a strong, independent minerals revenue collector, the Linowes Commission recommended that the function be split from USGS and located at a new agency which would be staffed with finance professionals working with a centralized accounting system (Linowes Commission 1982). This call was codified through the 1983 Federal Oil and Gas Royalty Management Act (FOGRMA) which mandated the establishment of “a comprehensive inspection, collection and fiscal and production
accounting and auditing system to provide the capability to accurately determine oil and gas royalties” (Federal Oil and Gas Royalty Management Act of 1982 1983, Section 101).

Reacting to the perception that USGS had relegated minerals revenue collection to a secondary status within the agency, Secretary of the Interior James Watt established MMS in 1982 by moving all oil and gas revenue collection functions from USGS to the new agency. He further transitioned all offshore leasing responsibilities which were formerly split between USGS and BLM to MMS and shifted these same functions for onshore leases to BLM (Department of the Interior 2008, Hogue 2010). The effect was that BLM assumed all responsibilities connected to onshore development, leasing, and regulation, and the newly-created MMS was tasked with all duties for offshore oil and gas operations as well as revenue collection for all leases.

Secretary Watt’s reorganization plan was broadly supported. Merging offshore functions at one agency was both consistent with the Linowes Commission’s recommendations (Durant 1992) and advocated by GAO. In fact, GAO actively lobbied for greater consolidation. With the restructuring as a backdrop, GAO’s Special Assistant to the Comptroller General testified, “We have previously recommended that Interior evaluate the need to consolidate mineral management responsibilities. Establishment of the Minerals Management Service is consistent with this recommendation” (Socolar 1982, p. 6). The House Appropriations Committee concurred, suggesting in its bill, “The bulk of the appropriation…is associated with the…evaluation of resources, regulations, and activities associated with Federal and Indian lands. These are functions formerly divided between the Geological Survey and the Bureau of Land Management. That division of function often caused problems of neglect, duplication, and turf wars. The Committee agrees with the consolidation.” (Committee on Appropriations 1982, p. 40).
As described by the House Appropriations Committee, the view at the time was that the prior structure – in which BLM administered offshore lease sales while USGS managed offshore lease management and revenue collection – was responsible for the issues that plagued DOI. These included organizational disputes, application backlogs, and the aforementioned “underpayment and inadequate collection of royalties owed to the United States” (Committee on Appropriations 1982, p. 40). For most, the concern was not that MMS had been created, but rather why it had not been assigned BLM’s onshore minerals management functions as well (Durant 1992).

From the outset, MMS was designed specifically to implement its two core functions, tax collection and offshore management, with the recognition that the prior structure had failed. It is thus not surprising that MMS’s organizational design reversed what had preceded it. Rather than assimilate tax collection with its other functions as USGS had, personnel and operations associated with MMS’s Royalty Management activity (later renamed Minerals Revenue Management), were consolidated and housed separate of offshore management in Lakewood, Colorado. The goal was to “provide efficiency and economies of scale in the financial and data collection process” (Minerals Management Service 1993, p. 108).

At the same time, to combat the “problems of neglect, duplication, and turf wars” (Committee on Appropriations 1982, p. 40) that plagued DOI’s offshore program when it was divided between USGS and BLM, MMS joined the associated sub-activities into one tightly knit program. Outer Continental Shelf Lands, eventually renamed Offshore Energy and Minerals Management (Offshore Energy), combined resource evaluation, leasing, and regulation. Corresponding roughly to their timing in the process of developing offshore lands, the overlap was nevertheless substantial. For example, although studies to identify the location of oil and gas
reserves were primarily intended to aid leasing decisions, these efforts also supported “regulatory personnel to ensure that discoveries [were] developed and produced in accordance with the goals and priorities of the OCSLA” (Minerals Management Service 2004, p. 108). Moreover, because offshore oil and gas drilling primarily occurred in the Gulf of Mexico, the personnel associated with these functions were stationed in New Orleans or one of MMS’s other offices near the Gulf.

MMS’s organization design – which separated revenue collection from offshore energy management at the same time it integrated the elements of the offshore program – maintained much the same structure over its entire lifespan (Carrigan 2013). Just prior to its breakup in 2010, the vast majority of MMS’s scientists, engineers, and inspection personnel, as members of the Offshore Energy program, were still located in Louisiana. In contrast, MMS’s Colorado operations, which housed Revenue Management, were overwhelmingly staffed with tax and business professionals. In implementing the calls for “top quality financial managers” (Socolar 1982) and a more integrated offshore program, MMS had developed into an organization separated geographically as well as through the competencies of those in its two core programs.

Early Efforts to Spur Revenue Collection

Although MMS’s creation did provide DOI with a respite from the criticism it received for its revenue collection difficulties, the effect proved temporary. When MMS testified in April 1985 before the House Committee on Government Operations, it was to scrutinize Revenue Management over its performance in collecting and disseminating royalties associated with oil and gas production on Indian lands (Subcommittee of the Committee on Government Operations 1985). In addition to missing payments or making them for incorrect amounts, a congressional
inquiry had unearthed multiple examples where Revenue Management had not responded to requests by the Bureau of Indian Affairs (BIA) to audit individual Indian accounts, a task which MMS was required to perform. In response to questions about delays in responding to specific inquiries by BIA’s Anadarko, Oklahoma office, Revenue Management revealed that it was “an obvious case of something ‘falling through the cracks.’ The Anadarko request was lost in our Lakewood office for almost a year” (Subcommittee of the Committee on Government Operations 1985, p. 117).

The 1985 inquiry marked the beginning of a pattern of congressional oversight predicated on the idea that Revenue Management’s performance needed to improve. The quantity of hearings focused on oil and gas tax collection did not stray noticeably from those focused on offshore operations. Table 1 reveals that at least during the first half of MMS’s existence, regulatory and environmental issues commanded significant attention in Congress. Still, for the most part, the tone of these inquiries was much different. A number of the hearings were prompted by the aforementioned 1989 Exxon Valdez oil spill, not even within the purview of Offshore Energy’s statutory authority since it involved an oil tanker rather than a drilling rig or platform. Thus, while the group became intimately involved in the clean-up effort, garnered appropriations to conduct spill research, and received authority to write rules regarding financial liability in spill situations (Committee on Energy and Natural Resources 1989; Minerals Management Service 1990, pp. 36-37; Minerals Management Service 1991, pp. 81-83), Offshore Energy’s inclusion in these hearings was not because of any failure.

At the same time Offshore Energy was testifying in the aftermath of Exxon Valdez, Revenue Management was again reporting to Congress on the problems it was having collecting royalties for Indian tribes (Special Committee on Investigations of the Select Committee on Indian Affairs...
1989). Similarly, one year earlier, to open a hearing to review audits of MMS’s revenue
collection efforts, subcommittee chairman John Melcher noted, “To date, action by the
Department falls far short of adequately carrying out the requirements of [FOGRMA]. Today,
we are going to hear attempts to explain why” (Subcommittee on Mineral Resources
Development and Production of the Committee on Energy and Natural Resources 1988, p. 2).

Further evidence for Congress’ dissatisfaction with Revenue Management is clearly
displayed in GAO reports covering MMS’s tenure as tax collector. In the first four years of its
existence, nine GAO inquiries focused on offshore management issues while only three centered
on royalty collection and one on both missions. In contrast, from 1986 through 2009, seven
reports centered on offshore energy relative to a whopping 34 on revenue management and eight
on both. Moreover, even a cursory look at the titles confirms GAO’s dissatisfaction, including a
2007 report titled “Royalties Collection: Ongoing Problems with Interior’s Efforts to Ensure A
Fair Return for Taxpayers Require Attention.”

While Revenue Management’s issues were numerous, in large part, they were exacerbated
by the initial design of MMS, which allowed the accounting and auditing function to build
expertise but impeded its ability to collect needed data from BLM and Offshore Energy. The
geographical separation and the divergent backgrounds of operations personnel in Revenue
Management and Offshore Energy suggest the difficulties the groups had in collaborating were
not necessarily surprisingly. Multiple reports document these concerns (see, e.g., Subcommittee
on Royalty Management 2007; Government Accountability Office 2008). For example, in a
December 2007 communication, a committee commissioned by DOI on the heels of an OIG
investigation of MMS’s audit and compliance program described the coordination problems
created by having BLM and BIA as well as Offshore Energy and Revenue Management all
involved in the royalty collection process. In addition to documenting how BLM’s manual process for sharing onshore production data with MMS decreased efficiency, the report went on to note how similar issues existed even within MMS. The committee concluded, “Increased sharing of electronic information between BLM and MRM [Revenue Management], as well as between OMM [Offshore Energy] and MRM, would dramatically increase the consistency of Federal lease status and production information across these agencies” (Subcommittee on Royalty Management 2007, p. 27).

Reforming Revenue Collection in the Wake of Scandal

Coupled with the ongoing operational problems within Revenue Management, the previously described 2008 OIG investigative reports describing the scandalous activities in the RIK group only intensified Congress’ desire to reform MMS during the first decade of the 21st century. As described in Figure 3, prior to the explosion on *Deepwater Horizon*, various bills were introduced in Congress with the purpose of restructuring MMS and the broader organization surrounding it. Each had the goal of addressing – through design – MMS’s revenue collection problems and the associated coordination issues between MMS and BLM in particular. No less than eight bills were introduced between November 2005 and April 2009 that proposed to rename MMS as the “National Ocean Resources and Royalty Service” to emphasize the agency’s roles in collecting oil and gas revenue and managing offshore development (see, e.g., Deep Ocean Energy Resources Act of 2008 2008). For those bills that sought to reform MMS by redesigning or repositioning it in the federal government prior to the onset of the spill, zero proposed breaking up MMS into its component parts.
The Clean, Affordable and Reliable Energy Act and the Minerals Management Reform Act, both introduced in 2009, sought to increase congressional control over MMS by either making it an independent agency or reforming the appointment process so that the Secretary of the Interior could not directly name MMS’s director without congressional approval. While also reacting to the RIK scandal at MMS, a second set of proposals attempted to directly address the coordination issues that were plaguing Revenue Management’s ongoing operations as well. In September 2008, Representative Joe Barton introduced a bill “to improve interagency coordination and cooperation in the processing of Federal permits for production of domestic oil and gas resources” (US House of Representatives 7032 2008, p. 1). By creating an independent agency called the Office of the Federal Oil and Gas Permit Coordinator, the reorganization
would have both “promote[d] process streamlining” and eliminated “duplication of effort” by tasking the office to more formally coordinate BLM and MMS activities (US House of Representatives 7032 2008, p. 1).

Addressing the same ongoing issues that were plaguing MMS royalty collection, the Consolidated Land, Energy, and Aquatic Resources (CLEAR) Act, introduced in the House, went even further. Instead of simply creating a federal coordinator, the CLEAR Act sought to combine BLM’s Oil and Gas Management program with MMS. In a hearing before the House Committee on Natural Resources, the bill’s sponsor Representative Nick Rahall explained:

This bill would establish the Office of Federal Energy and Minerals Leasing, combining the energy development work currently split between the MMS and the Bureau of Land Management. Having one agency doing the leasing and one agency collecting the money is inefficient, unnecessary, complex, and potentially costs the American people millions in lost royalties. (Committee on Natural Resources 2009, p. 3)

By joining the BLM’s onshore minerals management functions with the Revenue Management and Offshore Energy groups at MMS, the new agency would be better positioned to overcome the long history of royalty collection shortcomings. Interestingly, the proposed reorganization mirrored GAO’s recommendation to further consolidate oil and gas functions when MMS was originally created in 1982. Like Senator Barton’s proposal to create a federal oil and gas coordinator, the CLEAR Act was specifically focused on improving coordination and information flow to Revenue Management – a long-standing impediment to the federal government’s oil and gas management program’s success.

Examining the Disbanding of MMS

At a press conference on May 27, 2010 – a little over one month after the onset of the spill – President Obama announced a series of reforms to address growing criticism that his
administration was adequately managing the spill which was quickly spiraling out of control.

Fundamental to those reforms was the decision to disband MMS. As President Obama explained, following the first Inspector General communication describing the unethical activities in the Revenue Management group:

Secretary Salazar immediately took steps to clean up that corruption. But this oil spill has made clear that more reforms are needed. For years, there has been a scandalously close relationship between oil companies and the agency regulates them. That's why we've decided to separate the people who permit the drilling from those who regulate and ensure the safety of the drilling (Obama 2010c).

The restructuring was more fully described in Secretary Salazar’s Order 3299 which was released eight days prior to President Obama’s news conference. In the Order, Secretary Salazar outlined the creation of three separate organizations from MMS – the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement (BSEE), and the Office of Natural Resources Revenue (ONRR) (Salazar 2010). BOEM inherited Offshore Energy’s leasing and resource evaluation functions, BSEE assumed regulatory oversight, and the Revenue Management group became known as ONRR. In the accompanying press release describing the rationale for MMS’s breakup, Secretary Salazar reiterated President Obama’s comments, noting the agency “has three distinct and conflicting missions that…must be divided” (Office of the Secretary of the Interior 2010).

On the surface, this action appeared to be a dramatic step away from the congressional organizational reform efforts that preceded the disaster which had generally sought to consolidate government oil and gas management functions to increase tax collections. For example, in contrast to the proposal in the 2009 version of the CLEAR Act which sought to unite onshore and offshore functions, the administration’s decision – enacted not through legislation but through Secretary Salazar’s Order 3299 – actually appeared to further divide these administrative functions. Moreover, while the narrative describing MMS’s conflicts of interest
was largely absent from discussions of its issues prior to the spill, the story was largely supported by Congress and a broader set of commentators after the onset of the disaster (Flournoy et al. 2010, Forbis 2011, Honigsberg 2011, National Commission 2011).

By initially structuring the agency such that it was tasked to collect revenue – and given that revenue could not be collected without production – the logic behind the conflict narrative rested on the idea that MMS’s original design impeded its ability to regulate effectively since doing so would require limiting oil and gas production. A similar story described the discord that existed within the Offshore Energy group as well. In its role as government offshore leasing agent, MMS would have an incentive to promote oil and gas development. Just as tax collection allegedly hindered regulation by encouraging development, having MMS oversee that development process directly further weakened MMS’s desire to be an effective regulator, thereby creating the conditions for a disaster like the Gulf spill.

In addition to the broad agreement among commentators that MMS needed to be divided, as Figure 3 demonstrates, the intent of congressional proposals to formalize the structure of oil and gas operations through organic legislation also clearly shifted after the spill. Of the six bills initiated after its onset, only one, the Oil Spill Prevention Act, intended to retain the revenue collection, leasing, and regulatory oversight functions in one organization. For example, although both the Outer Continental Shelf Reform Act and the Clean Energy Jobs and Oil Company Accountability Act sought to place limits on the number of organizations that could be responsible for various aspects of the oil and gas management process, each still supported dividing offshore management and separating it from revenue collection. The bills supported the administration’s stated rationale for the imposed reform as well. The Clean Energy Jobs and Oil Company Accountability Act, introduced by Senator Harry Reid in July 2010, stated, “the
Secretary [of the Interior] shall ensure, to the maximum extent practicable, that any potential organizational conflicts of interest related to leasing, revenue creation, environmental protection, and safety are eliminated” (Clean Energy Jobs and Oil Company Accountability Act 2010, Section 305).

While the disbanding of MMS appeared on the surface to both diverge substantially from pre-spill proposals as well as institutionalize dramatic changes to the government oil and gas infrastructure, in its implementation, the reorganization did much less. Secretary Salazar’s report to Congress two months after announcing the breakup described his implementation plan (Department of the Interior 2010). Highlighting the existing division between Revenue Management and Offshore Energy, the plan noted, “The Office of Natural Resources Revenue can be transitioned most quickly…with the transfer of the largely intact Minerals Revenue Management function” (Department of the Interior 2010, p. 4). In contrast, the report documented the complexity associated with dividing Offshore Energy into BOEM and BSEE. It indicated that the “two Bureaus will be created from a single bureau in which functions and process are tightly interconnected, making the separation complicated and demanding” (Department of the Interior 2010, p. 6).” Salazar’s plan called for a protracted implementation schedule which resulted in the formal separation of the offshore management and regulatory groups almost a year and a half after the process began. Furthermore, the recognition remained that even with the breakup, “close program coordination” was necessary between the two organizations to “maintain a functioning and effective process” (Department of the Interior 2010, p. 11).

Salazar’s report underscores the division between Offshore Energy and Revenue Management. The degree to which the Offshore Energy programs relied on each other clearly
contrasted the independence maintained by the Revenue Management group, an independence embedded in MMS’s creation. The fact that Revenue Management was a free-standing unit within MMS would allow it to transition within two and a half months of the initial implementation plan, a deadline which DOI easily met. In addition to further demonstrating the organizational divide within MMS, the actual implementation also reveals how little actually changed operationally with respect to oil and gas revenue collection as a result of the reorganization. Numerous reports along with a plethora of hearings suggested that the two groups were already operating as separate entities. In simply formalizing the separation and renaming the tax collection arm, the reorganization did little to change how the organizations functioned.

Moreover, a GAO report released in July 2012, recapping the separation of Offshore Energy’s leasing and regulatory functions, showed that – like the creation of ONRR from Revenue Management – little had changed with the formation of the two offshore energy bureaus (Government Accountability Office 2012). In addition to continuing to use the same IT system, BOEM and BSEE each retained their headquarters in the same New Orleans office which had housed them both prior to the split. Employees of the newly formed agencies reiterated their intention to continue to collaboratively manage the federal offshore process. As one senior official highlighted, “the split would not ‘put up a wall’ between the two bureaus” and “that staff would be able to ‘walk down the hall’ to discuss and resolve issues with colleagues in both bureaus” (Government Accountability Office 2012, p. 27). The report further indicated, “Interior officials…stated that the initial reorganization will not significantly change the bureau’s work processes” (Government Accountability Office 2012, p. 27). In orchestrating the reorganization effort, a taskforce identified no less than 49 interdependencies to ensure that information and
processes would flow between the organizations. Thus, GAO’s description of how the reorganization was implemented clearly supported Salazar’s hope in his 2010 plan that the development and regulation missions would continue to work closely with each other (Department of the Interior 2010).

In the end, Salazar’s Order 3299 simply formalized a division between Revenue Management and Offshore Energy that already existed and that had restricted MMS’s ability to effectively audit oil and gas company tax remittances from the outset. At the same time, the process of allocating the regulatory and development functions to BSEE and BOEM included a plethora of provisions that would allow them to continue as work as closely as they did while part of the Offshore Energy group at MMS.

Dividing MMS as Purposeful Symbolic Reform

In many ways, the breakup of MMS presents a classic example of symbolic political action. As described, alternative reorganizational proposals, embodied in bills at various stages in Congress, existed prior to the spill. Each addressed longstanding coordination failures present both between MMS and BLM as well as within MMS itself, failures which were instrumental in explaining DOI’s difficulties in collecting offshore and onshore tax revenue. By making MMS an independent agency, adding additional organizational layers to encourage collaboration, or locating additional functions at the agency, each of these reforms proposed that MMS retain its existing responsibilities while potentially garnering new ones. However, because it would seem hard to argue that any agency should receive more authority if it was perceived to act recklessly with what it already had, none of these actions was politically palatable as a response to the Gulf disaster.
In contrast, a reorganization which disbanded MMS conveyed the message that strong action had been taken, a particularly important aim given the criticism that the Obama administration was being subjected to for its lack urgency in reacting to the spill. As described by GAO after the restructuring was complete, similar reforms had been enacted with success elsewhere and so could be defended as a legitimate response. As one senior DOI official noted, “Separating resource management from the safety and environmental functions had been a best practice used by some European nations such as Norway” (Government Accountability Office 2012, p. 25). Thus, the decision to separate MMS into its component parts was swift, dramatic, and outwardly responsive.

Even so, in implementation, the reform itself did little to change existing practices, retaining both the strengths and limitations of the particular organization of oil and gas functions that characterized the structure of MMS as it existed prior to the Gulf disaster. Although it did create independent agencies with separate budgets, the interplay in how the government leases offshore lands, regulates those same leases, and collects revenue is much the same as it was before MMS’s breakup. MMS’s revenue collection and offshore management missions were already effectively divided prior to the official split. Moreover, in creating BSEE and BOEM, substantial effort went into ensuring these agencies could operate much as they did when they collectively comprised the Offshore Energy group at MMS.

Still, underneath the symbolism was a useful side-effect, either intended or not, that made the reform more than simply a political response which met the need to respond with policy actions that were available and reasonable (Baumgartner & Jones 1993, Kingdon 2003). Because it did not change the underlying infrastructure in any dramatic way, the reorganization also did not close the door to the reforms in the works prior to the spill which intended to remove
impediments to how DOI managed revenue collection. Congressman Rahall’s statement to open the July 2009 hearing to discuss the CLEAR Act underscored how deeply many felt reform was needed to correct deficiencies in royalty collection and leasing processes. He indicated, “Just this week, three – count them, three – new GAO reports detailing major flaws in the Federal oil and leasing program are being released. The reports add significantly to the massive body of investigative work done over the past 25 years calling into question the management of the entire Federal oil and gas program” (Committee on Natural Resources 2009, p. 2).

Many of the bills introduced in the House and Senate after the onset of the disaster supported Secretary Salazar’s decision to break up MMS. Still, in some cases, they incorporated subtle but important differences which reflected a persistent congressional interest in oil and gas revenue reform. The CLEAR Act amendment which passed the House in July 2010 presents one example. Although the amendment represented an effort to affirm Secretary Salazar’s administrative action through statutory action, unlike that action, the CLEAR Act also sought to combine offshore and onshore regulatory functions in one agency and offshore and onshore development functions in another (Consolidated Land, Energy, and Aquatic Resources Act 2010).

In contrast to the persistent interest in royalty reform, despite the dramatic and vivid images of oil soaked birds and tar balls washing on shore during the summer of 2010, the evidence presented in this chapter has shown that political priorities as well as social views have largely returned to where they were before the Gulf disaster. In this way, the tragedy shares a feature of many others that have come before it (Birkland 2006). Patterns of congressional oversight, media coverage, and shifts in public opinion polls all demonstrate that not only did the Gulf oil spill hold people’s interest for only a short time, the long-term trend reflecting a growing preference
for energy security and economic growth relative to environmental protection was interrupted only temporarily. Unlike the persistent attention on revenue collection, renewed interest in regulatory oversight and environmental stewardship was only fleeting.

Given the ephemeral nature of the push to take environmental safety more seriously, symbolic action – such as a decision enact a reorganization which did little to move the infrastructure in a direction that could not be easily reversed – offered value. In offering the impression that action was being taken swiftly and dramatically, the disbanding of MMS served its purpose, and yet provided the opportunity to revisit ways to improve revenue management and promote U.S. energy independence when the status quo returned. Still, this may not be a bad outcome. Although tragedies like the Gulf oil spill are potentially debilitating, dramatic reform enacted during those moments can have costs (Carrigan & Coglianese 2012). Moving too far one way or the other in response to a dramatic – but temporary – reshaping of attitudes toward risk is not necessarily the best option.

A reorganization as was recommended by various commentators which would have spread MMS’s missions among different federal departments (e.g., Flournoy et al. 2010) would likely have made it more difficult to resurrect the reform efforts proposed before the spill. In a hearing to examine the Outer Continental Shelf Reform Act of 2010, Michael Bromwich, who was tapped by President Obama to oversee MMS’s dissolution, acknowledged the potential perils of creating additional organizational units. In response to an inquiry by Senator Lisa Murkowski regarding the usefulness of further fragmenting oversight of oil and gas operations when the Gulf spill had provided evidence of the difficulties of having multiple players involved, Bromwich responded, “I agree with you and understand the reluctance to believe that creating yet more pieces is a cure-all” (Committee on Energy and Natural Resources 2010, p. 24). As the analysis
has demonstrated, organizational decisions can have real consequences and, furthermore, involve real tradeoffs. By enacting reform that did not truly respond to the transitory public uproar and preserved the opportunity to consolidate activities in one federal oil and gas agency, the reform was able to achieve an end while costing very little.

If the intense congressional focus on the perceived shortcomings of DOI’s revenue collection program over at least the last sixty years is any indicator, ensuring that it collects all federal oil and gas taxes due appears to be one of the government’s top priorities. In this context, the largely symbolic disbanding of MMS in the wake of Gulf oil spill did more than simply reaffirm the Obama administration’s control over the failure. Rather, it demonstrated that, in the wake of disaster, true symbolic action can serve an important purpose that extends beyond simply ensuring the political survival of those forced to act when such regulatory disasters occur. Through the very act of doing nothing, unlike true reform, symbolic reform eliminates the possibility that the action is only responding to an emotional but fleeting public display, a possibility which is not unusual in disaster (Carrigan & Coglianese 2012). Particularly when truly responsive action undercuts other actions more reflective of longer-term preferences, only symbolic reform can limit the damage. As this analysis has demonstrated, while the Gulf tragedy fueled intense demand for regulatory reform and greater environmental accountability, this pressure quickly receded as concerns about energy and economic growth returned to the fore. Such actions like the DOI organizational response which serve as placeholders can delay real action until the right action – guided by both introspection and attention to more permanent public preferences – is clearly understood.
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