

**Deep Impact: Assessing the Effects of the Deepwater Horizon Oil Spill on States, Localities
and the Private Sector**

**Homeland Security and Governmental Affairs Committee,
Subcommittee on State, Local, and Private Sector Preparedness
and Integration (SLPSPI)**

Chairman Lieberman
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I'd like to thank Senator Pryor for convening today's hearing to look at the effects of the Deepwater Horizon oil spill on states, locals, and the private sector. This spill - the worst in American history - has been devastating for the affected communities, and it's important that we keep the focus on them. Long after this spill has been contained, the people of Louisiana, Alabama, Mississippi, and Florida will still be dealing with its consequences.

The consequences so far have been horrific: Nearly 78,264 square miles, approximately 32 percent of the federal waters in the Gulf of Mexico, have been closed to fishing; wildlife has been devastated; and already oil has washed onto as many as 100 miles of Louisiana's beaches and wetlands—we've even heard reports of oil reaching as far as Pensacola Beach in Florida.

This means that communities and local businesses that depend on the Gulf for their livelihoods are suffering and, unfortunately, will continue to suffer for years to come. Closed-off waters are keeping fisherman from catching shrimp, oysters, and other fish. This is no small problem for Louisiana where the fishing industry reportedly brings \$2.4 billion a year to the state and at least 27,000 jobs depend directly on the fisheries. And with closed beaches and wildlife dying, tourism is down and will continue to decline, with hotels, restaurants, and other tourism related businesses seeing fewer customers and losing business value.

Sadly, this isn't the first time we've faced an environmental catastrophe of this nature or struggled with how to address it. After the Exxon Valdez spill in 1989, we debated many of the

same issues we're debating today. Back then, in fact, I introduced legislation that would have imposed liability on those responsible for a spill without any caps. I argued then that unlimited liability, or at least high liability limits, would send a clear message to oil companies that they must prepare to cope with the full consequences of their actions, and I argued that this would provide a powerful incentive for oil companies to act safely and carefully.

Unfortunately, we didn't take all the steps we might have then. We failed to build a system that could plan for and respond to the next big risk—in this case, an uncontrolled blowout in a deepwater well, rather than just respond to a disaster like the last one.

As a result, states and locals are paying the price. But as we move forward, we can make sure that we learn the right lessons from this disaster, and that we continue to update our planning and response capabilities, so that states and locals are better off the next time a catastrophe like this occurs.

There are many lessons to be learned, and most will become clear as the many investigations into this disaster unfold. But one of the clear lessons, it seems to me, is that state and locals need to be actively involved in the response planning for oil spills. The Coast Guard, for example, is required to establish local plans for each port, and the Coast Guard has also established a regional plan for the entire Gulf, which coordinates response efforts when a spill affects more than one port.

State and local input into these plans is invaluable. They have intimate knowledge of their communities, states, and regions, and we need to make sure that this knowledge is reflected in the plans designed to protect them. This means that the Coast Guard must make sure that states and locals have the opportunity to participate in the planning and that state and locals take

advantage of these opportunities. I hope our witnesses can share their views on what steps we can take to ensure this happens.

Another lesson we must take to heart is that cooperation must occur at all levels of government. We need to make sure that the federal, state, and local governments, for example, are sharing information and working together on the response. Since its establishment, we have encouraged the Department of Homeland Security to make sure that state and locals have a seat at the table, are included in decision-making, and are provided with information they need. I look forward to hearing from today's witnesses where they think cooperation has gone well and where they think it can be improved.

I think a final lesson is that we need to evaluate how much we should depend on the private sector during a disaster like this. As we're all aware, the federal government has had to rely on BP's expertise and knowledge since the well blow-out on April 20th, and state and locals have undoubtedly been turning to BP for information as well. There will always be a significant private sector role in these types of disasters. We naturally expect those responsible to pay for the clean-up. But I'd like to hear from our witnesses whether they think the balance between government and private sector responsibilities needs to change and, if so, how.

We owe it to the people directly affected by the catastrophe—and to the American public—to learn from the Gulf oil spill. Not only will the lessons we take from this catastrophe help prevent anything like it from happening again, but it will also help guarantee that another catastrophe of this sort does happen again, we will have taken steps to ensure that the consequences are less severe for the communities most hurt by it.

Thank you.