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# Regulator Deferred to Oil Industry on Rig Safety

By [ERIC LIPTON](#) and [JOHN M. BRODER](#)

WASHINGTON — Federal regulators warned offshore rig operators more than a decade ago that they needed to install backup systems to control the giant undersea valves known as blowout preventers, used to cut off the flow of [oil](#) from a well in an emergency.

The warnings were repeated in 2004 and 2009. Yet the [Minerals Management Service](#), the [Interior Department](#) agency charged both with regulating the oil industry and collecting royalties from it, never took steps to address the issue comprehensively, relying instead on industry assurances that it was on top of the problem, a review of documents shows.

In the intervening years, numerous blowout preventers and their control systems have failed, though none as catastrophically as those on the well the Deepwater Horizon drilling rig was preparing [when it blew up on April 20](#), leaving tens of thousands of gallons of oil a day spewing into the Gulf of Mexico.

Agency records show that from 2001 to 2007, there were 1,443 serious drilling accidents in offshore operations, leading to 41 deaths, 302 injuries and 356 [oil spills](#). Yet the federal agency continues to allow the industry largely to police itself, saying that the best technical experts work for industry, not for the government.

Critics say that, then and now, the minerals service has been crippled by this dependence on industry and by a climate of regulatory indulgence.

“Everything that’s done by the oil industry is done for profit,” said Senator Bill Nelson, Democrat of Florida, who demanded this week that the Interior Department investigate these backup safety systems. “Throw in the fact that regulators have taken a lax attitude toward overseeing their operations, and you have a recipe for catastrophe.”

Last year, [BP](#), the owner of the well that blew up in the gulf, teamed with other offshore

operators to [oppose a proposed rule that would have required stricter safety and environmental standards](#) and more frequent inspections. BP said that “extensive, prescriptive” regulations were not needed for [offshore drilling](#), and urged the minerals service to allow operators to define the steps they would take to ensure safety largely on their own.

Walter D. Cruickshank, the deputy director of the management service, disputed the idea that the agency had a history of deference to the industry or a pattern of lax oversight.

“We have inspectors going offshore every day that the weather allows,” Mr. Cruickshank said, citing orders to shut down oil operations 117 times last year. “The enforcement is quite strict.”

He added that agency officials remained committed to adopting the new safety rule, despite industry objections. “I think you can assume that rule is going forward,” he said.

Numerous Congressional and internal investigations have called the oversight agency badly mismanaged and at times corrupt. It has been rocked by regular scandals, including disclosures in 2008 that agency officials took bribes and engaged in drug use and sex with oil industry officials. And its own scientists have said that senior agency officials in recent years [revised staff reports to eliminate environmental concerns](#) that might have complicated oil-company drilling applications for offshore sites in waters near Alaska.

“Problems at M.M.S. did not originate in this administration or its predecessor,” said Representative [Darrell Issa](#) of California, the senior Republican of the House Oversight and Government Reform Committee. “There is a bureaucracy and dysfunctional culture that has to be held accountable.”

Mr. Issa and other members of Congress are now asking why repeated warnings about potentially faulty safety equipment like the blowout preventers apparently went unheeded by the industry and unaddressed by the government.

Questions about the blowout preventers — which BP executives have said are at least partly to blame for the April 20 accident — date at least to February 2000, when [a rig in the Gulf of Mexico spilled oil into the sea](#) after a crew member accidentally pushed the wrong button, severing the connection between the rig and its blowout prevention device, known as a BOP.

“The rig was not equipped with a secondary system capable of securing the well in the absence of the primary BOP controls,” said a federal report on the accident.

To combat this serious safety flaw, the agency [warned oil companies in 2000](#) and [again in June 2009](#), after yet more problems emerged with a blowout preventer, reminding them that they needed to have “a reliable backup system in place.” But the agency never tried to write

regulations that would detail the requirements for the backup systems.

Instead, over a decade ago, with the industry's support, the agency [reduced the frequency of inspections of blowout preventers](#) to once every 14 days from once a week, citing the disruptions that these tests caused to oil drilling and extraction efforts.

In the absence of government regulations, all 23 of the oil drilling rigs currently working in the Gulf of Mexico rely on a backup device known as a remotely controlled submersible vehicle to turn on the blowout preventers if primary controls fail. That was the case with the Deepwater Horizon rig as well.

But a consultant hired by the mineral service in 2003 warned that these machines were [frequently unreliable during blowouts](#), moving too slowly and often lacking power to do the job.

Worse, the same consultant concluded in a [federally financed study](#) that even if rig crews managed to turn the blowout preventer on, the most critical safety component inside these machines — the shear ram, which is meant to cut quickly through the well pipe to stop the flow of oil and gas — was often not strong enough to cut through the modern pipes that drilling rigs use.

“This grim snapshot illustrates the lack of preparedness in the industry to shear and seal a well with the last line of defense against a blowout,” said the September 2004 report, written by West Engineering.

Industry executives say they have taken steps to address these concerns.

“It is a reliable piece of equipment,” Robert Lanza, a Houston oil executive who serves as co-chairman of industry's powerful Offshore Operators Committee, said of blowout preventers.

[Transocean](#), the company that operated the Deepwater Horizon rig for BP, has been cited twice in recent years by the authorities in Britain for failing to properly maintain a blowout preventer and related testing equipment on an offshore drill site there, with officials saying in November 2006 that the device “failed in service, exposing persons to risks that endangered their safety.”

Minerals Management Service officials have also pointed to [statistics showing a decline in the number of offshore oil drilling blowouts and fatalities](#) in recent years.

But in an interview this week, senior officials of the agency said that in light of the April accident, they could not confidently assert that the long-identified shortcomings with the blowout preventers had been resolved adequately.

“All of these things need to be re-examined,” Mr. Cruickshank said.

Elsewhere around the world, the trend has been to split up agencies like the Minerals Management Service, separating the officials who are responsible for overseeing natural resource extraction from those who are charged with ensuring its safety.

For example, in 2005, Australia created a separate regulator — the [National Offshore Petroleum Safety Authority](#), following the lead of Britain, which severed these functions after a 1988 oil rig explosion in the North Sea, known as the Piper Alpha accident, that killed 167 people.

“It has to be that way,” said David Doig, the chief executive of an industry-owned nonprofit organization in Britain, the Offshore Petroleum Industry Training Organization. “You need to divorce operations monitoring from the integrity monitoring, because operations will always be the one driving behavior. They’re motivated by the need to keep things going, and the finances rolling.”

*Tom Zeller Jr. contributed reporting from New York.*

*This article has been revised to reflect the following correction:*

***Correction: May 7, 2010***

*An earlier version of this article misstated the date of the explosion of the Deepwater Horizon drilling rig in one reference. It was April 20, not April 22.*