



Drumbeat: May 30, 2010

Posted by [Gail the Actuary](#) on May 30, 2010 - 9:30am

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[BP's top kill effort fails to plug Gulf oil leak](#)

The most ambitious bid yet to stop the worst oil spill in U.S. history ended in failure Saturday after BP was unable to overwhelm the gusher of crude with heavy fluids and junk. President Obama called the setback "as enraging as it is heartbreaking."

The oil giant immediately began readying its next attempted fix, using robot submarines to cut the pipe that's gushing the oil and cap it with funnel-like device, but the only guaranteed solution remains more than two months away.

The company determined the "top kill" had failed after it spent three days pumping heavy drilling mud into the crippled well 5,000 feet underwater. It's the latest in a series of failures to stop the crude that's fouling marshland and beaches, as estimates of how much oil is leaking grow more dire.

[Deepwater Horizon Response: BP Halts "Top Kill" Attempt; Lays Out Next Steps](#)

The President issued the following statement: Today, I've spoken with National Incident Commander Admiral Thad Allen, as well as Energy Secretary Steven Chu, Interior Secretary Ken Salazar, EPA Administrator Lisa Jackson, and senior White House advisors John Brennan and Carol Browner regarding the ongoing efforts to stop the BP oil spill. From the beginning, our concern has been that the surest way to stop the flow of oil – the drilling of relief wells – would take several months to complete. So engineers and experts have explored a variety of alternatives to stop the leak now. They had hoped that the top kill approach attempted this week would halt the flow of oil and gas currently escaping from the seafloor. But while we initially received optimistic reports about the procedure, it is now clear that it has not worked. Rear Admiral Mary Landry today directed BP to launch a new procedure whereby the riser pipe will be cut and a containment structure fitted over the leak.

This approach is not without risk and has never been attempted before at this depth. That is why it was not activated until other methods had been exhausted. It will be difficult and will take several days. It is also important to note that while we were hopeful that the top kill would succeed, we were also mindful that there was a significant chance it would not. And we will continue to pursue any and all responsible means of stopping this leak until the completion of the two relief wells currently being drilled.

As I said yesterday, every day that this leak continues is an assault on the people of the Gulf Coast region, their livelihoods, and the natural bounty that belongs to all of us. It is as enraging as it is heartbreaking, and we will not relent until this leak is contained, until the waters and shores are cleaned up, and until the people unjustly victimized by this manmade disaster are made whole.

[Whitehouse Blog: The Ongoing Administration-Wide Response to the Deepwater BP Oil Spill](#)

Since the Deepwater Horizon explosion the night of April 20, federal authorities, both military and civilian, have been working onsite and around the clock to respond to and mitigate the impact of the resulting BP Oil Spill in the Gulf of Mexico.

We have compiled this chronology in the spirit of transparency so the American people can have a clear understanding of what their government has been and is doing to respond to the massive and potentially unprecedented environmental disaster.

[Ever Rising Political Stakes for Obama](#)

Mr. Obama last week said the disaster should spur action in Congress to enact measures to cut the economy's consumption of oil—part of broader legislation aimed at attacking climate change. But the climate issue is stalled in the Senate, in part because expanding offshore oil exploration was a key provision meant to attract Republican support.

Mr. Obama says he still believes offshore oil exploration is necessary as a bridge to a future when motor vehicles—the main consumers of petroleum—run on alternative fuels. But on Thursday he ordered a six-month moratorium on new offshore drilling, saying he was wrong to believe oil industry assurances that a disaster such as this couldn't happen.

A spill that continues fouling the Gulf through the summer, threatening Florida beaches and rich Louisiana fisheries, appears more likely to embolden opponents of offshore drilling, some of whom have pledged to filibuster the climate bill unless the provisions on offshore drilling are eliminated.

[Q&A: Federal official discusses how oil cleanup happens and who pays for it](#)

Q: Where do the lines of authority and responsibility run for cleaning up oil spills like the one in the gulf?

A: Typically, when a spill is of this magnitude or if there is significant damage to natural resources, a "unified command" will be set up. It will consist of a federal on-scene coordinator, and for all marine spills the Coast Guard takes that role. The state on-scene coordinator will be involved, and then the "responsible party" -- the company that spilled the oil or has control of the structure that the oil is coming out of. The federal on-

scene coordinator, in my experience, has always had at least 51 percent of the vote, but it is very definitely a collaborative effort.

[Our Fix-It Faith and the Oil Spill](#)

"IF we've learned anything so far about the deepwater Gulf of Mexico, it is that it contains surprises. And that means an operator needs depth — depth in terms of resources and expertise — to create the capability to respond to the unexpected."

These prophetic words came from a 2005 presentation by David Eyton, who was then vice president for BP's deepwater developments in the Gulf of Mexico. Reprinted that year in a journal of the Society of Exploration Geophysicists, the speech acknowledged that oil companies "did somewhat underestimate the full nature of the challenges we were taking on in the deep waters of the gulf."

[Documents Show Early Worries About Safety of Rig](#)

WASHINGTON — Internal documents from BP show that there were serious problems and safety concerns with the Deepwater Horizon rig far earlier than those the company described to Congress last week.

The problems involved the well casing and the blowout preventer, which are considered critical pieces in the chain of events that led to the disaster on the rig.

The documents show that in March, after several weeks of problems on the rig, BP was struggling with a loss of "well control." And as far back as 11 months ago, it was concerned about the well casing and the blowout preventer.

[AP ENTERPRISE: Spill grew, BP's credibility faded](#)

At nearly every step since the Deepwater Horizon exploded more than a month ago, causing the worst oil spill in U.S. history, rig operator BP PLC has downplayed the severity of the catastrophe in the Gulf of Mexico.

On almost every issue - the amount of gushing oil, the environmental impact, even how to stop the leak - BP's statements have proven wrong. The erosion of the company's credibility may prove as difficult to stop as the oil spewing from the sea floor.

"They keep making one mistake after another. That gives the impression that they're hiding things," said U.S. Sen. Bill Nelson, a Florida Democrat who has been critical of BP's reluctance to publicly release videos of the underwater gusher. "These guys either do not have any sense of accountability to the public or they are Neanderthals when it comes to public relations."

[Nigeria's agony dwarfs the Gulf oil spill. The US and Europe ignore it](#)

In fact, more oil is spilled from the delta's network of terminals, pipes, pumping stations and oil platforms every year than has been lost in the Gulf of Mexico, the site of a major ecological catastrophe caused by oil that has poured from a leak triggered by the explosion that wrecked BP's Deepwater Horizon rig last month.

[Florida beaches oil-pollution free for Memorial Day](#)

Favorable currents and winds continued to keep the oil catastrophe away from Florida's shores, the state reported Saturday, saying the first possibility of contamination was 72 hours away.

``Currently, there have been no confirmed oil impacts to Florida's more than 1,260 miles of coastline and 825 miles of sandy beaches," said an 11 a.m. update from the state's Department of Environmental Protection.

[Rightwing group seeks to strip climate change from US classrooms](#)

And so to Mesa County in Colorado where this week the first labour pains of what seems to be the birth of a new movement in the US were felt. Dozens of protesters attended a meeting of School District 51's Board of Education to hand over two petitions aimed at keeping political views out of the county's classrooms.

The board of education will now mull over the issues raised by the petitions, but the episode serves to expose the rising tide within rightwing circles in the US to suppress the teaching of "liberal" issues such as climate change in schools. Or if it can't be suppressed, then at least some "balance" should be applied.

For example, Balanced Education for Everyone heavily promotes the showing of Phelim McAleer's Not Evil Just Wrong as a counterpoint to Al Gore's An Inconvenient Truth. McAleer is an agitating Irish filmmaker who views climate change as "junk science" and who – as was the case with Martin Durkin's The Great Global Warming Swindle – has been accused by climate scientists of misrepresenting their views through the manipulative editing of interviews. (For example, look at McAleer's edit of his exchange last December with Professor Stephen Schneider, and then look at the unedited exchange.)

[States passing budget cuts onto local governments](#)

Associated Press Writer= JEFFERSON CITY, Mo. (AP) — Confronted with severe revenue shortfalls, some states have found a convenient way of softening painful cutbacks and avoiding statewide tax increases: They've passed the buck to their

counterparts in cities and counties.

Traditionally, many states help bear the cost of jailing inmates, paving roads, running libraries and providing other services in local areas. Now, states are paring back their payments, leaving local leaders to decide how to make up the difference.

[Internet helps Americans save more energy every year](#)

The rate at which the United States is becoming more energy-efficient has soared since 1995, when the computer-based Internet and communications revolution began soaking into US society.

That conclusion – from a groundbreaking study by the American Council for an Energy-Efficient Economy (ACEEE) last week – stands in sharp contrast to recent concerns that the computer backbone of the Internet was gobbling up huge amounts of energy.

Indeed, all America's servers – the computers that direct traffic on the Internet – and the systems that cool them use about 1.2 percent of the nation's electricity, according to a study last year. That's still a lot of power, comparable to the energy used by color TVs in the US.

[India will become energy-independent: Kakodkar](#)

“I can visualise a day when India will not only be energy-independent but also helping other countries. I hope that happens in my lifetime,” said eminent nuclear scientist and former Chairman of Atomic Energy Commission Anil Kakodkar on Saturday exuding confidence about the wider significance of the historic U.S.-India civilian nuclear deal.

[Rising costs mean more money for PG&E](#)

Selling more electricity does not bring in more money for Pacific Gas and Electric Co. But investing in its transmission and delivery system does.

PG&E also earns money by keeping certain costs below the level approved by the state Public Utilities Commission, and by meeting various policy goals set by commissioners.

[Fisker raises equity, says to launch car soon](#)

LOS ANGELES, May 29 (Reuters) - Fisker Automotive said on Saturday it has raised \$35 million of private equity to close a \$189 million funding round that will allow the company to launch its plug-in hybrid electric car.

Fisker is also developing a second, lower-cost rechargeable vehicle it expects to start building in 2012. That sedan is expected to sell for some \$47,400 before a U.S. tax credit to consumers of \$7,500.

[Deadly tropical storm hits Central America](#)

(CNN) -- Tropical Storm Agatha unleashed torrential rains over Guatemala, southeast Mexico and much of El Salvador, triggering flash floods and mud slides.

The tropical storm, the first of the Pacific season, left at least 12 people dead and another 11 missing in Guatemala, the UK Press Association reported, citing National Disaster Relief Coordinator spokesman David de Leon.

[Ecuador volcanic eruption calms](#)

An eruption by Ecuador's Throat of Fire volcano abated on Saturday, leading authorities to start allowing 2,500 evacuees to return home and announce plans to reopen a major airport later in the day.

"The volcano has lowered its intensity... there is less ash," said Sandra Vaca, an official at Ecuador's Geophysical Institute.

[Shell brushes off Alaska setback with \\$5B Marcellus buy](#)

On the rebound! Royal Dutch Shell brushed off the Obama administration's decision yesterday to block their Alaska offshore drilling plans with a big buy in the Marcellus Shale. Shell grabbed East Resources and its 650,000 acres in Pennsylvania and West Virginia for \$4.7 billion.

The Marcellus is the biggest natural gas field in the United States, containing more than 500 trillion cubic feet of recoverable gas and stretching across three states. But in terms of development, the Marcellus is in its infancy. A recent report from Penn State figures that while Pennsylvania today produces just 500 million cubic feet of gas a day. With the development of Marcellus shale gas that could grow to more than 13 billion cubic feet a day, and create more than 200,000 jobs in the process.

[The Impact of the Irrelevant on Decision-Making](#)

TEXTBOOK economic models assume that people are well informed about all the options they're considering. It's an absurd claim, of course, as most economists are well aware.

Even so, when people confront opportunities to improve their position, they're generally quick to seize them. When energy prices rise sharply, for instance, consumers are quick to adjust their thermostats. So most economists are content with a slightly weaker assumption: that people respond in approximately rational ways to the information available to them.

But behavioral research now challenges even that more limited claim. For example, even patently false or irrelevant information often affects choices in significant ways.

[Video: Explaining Europe's Debt Crisis](#)

As fear continues to spread over the impact of the Greek debt crisis, more people are questioning how such a small country could impact markets around the world.



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