



PROGRAM FOR PUBLIC CONSULTATION
SCHOOL OF PUBLIC POLICY, UNIVERSITY OF MARYLAND

Offshore Oil Drilling

A Survey of American Voters

May 2018

Methodology

Fielded by: Nielsen Scarborough

Method: Administered online to a probability-based sample selected from a larger panel recruited by telephone and mail.

Margin of Error: +/-2.2%

Sample: 2,003 registered voters

Fielding Dates: March 9-23, 2018

Lifting Ban on Offshore Drilling

The first issue we are going to explore is a new proposal to allow drilling for oil (and to a small extent natural gas) in offshore areas that have been previously banned or limited. This proposal has been submitted for public comment by the Federal government. The results of this survey will be forwarded to the government.

Here is some background. Currently, oil and gas are only being drilled along the Gulf Coast.

There has been bans on drilling in the Atlantic and the Pacific coast since a series of major damaging oil spills, including the Santa Barbara spill in 1969 and the Exxon Valdez in 1989. There are also limits on the Alaska coast.

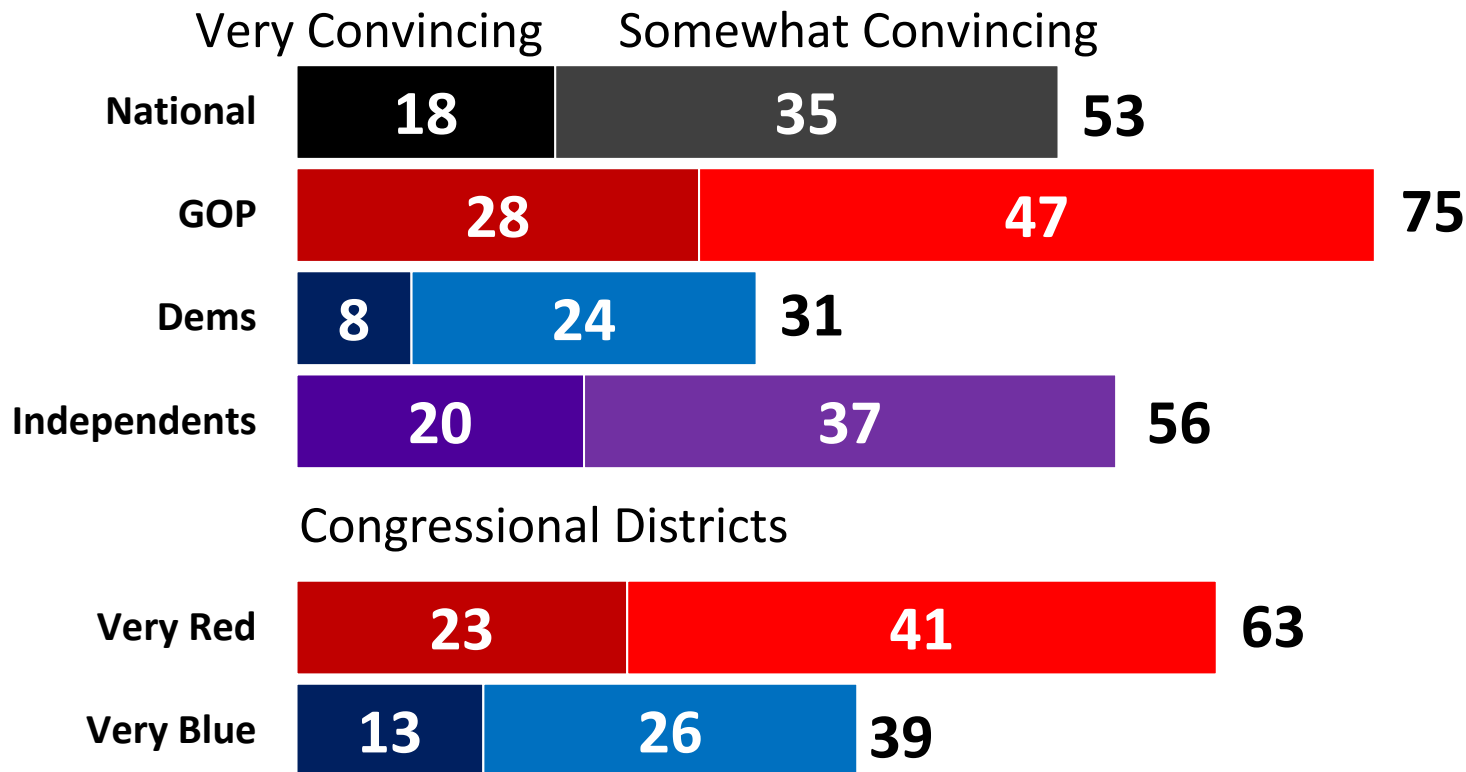
The new proposal is to lift these bans and allow drilling for oil and gas along all of the Atlantic and Pacific coasts and to expand the allowed area around Alaska.

Here are two arguments in favor of and against the proposal to open new offshore areas where drilling and exploration has been previously banned or limited.

Lifting Ban on Offshore Oil Drilling

Pro Argument 1:

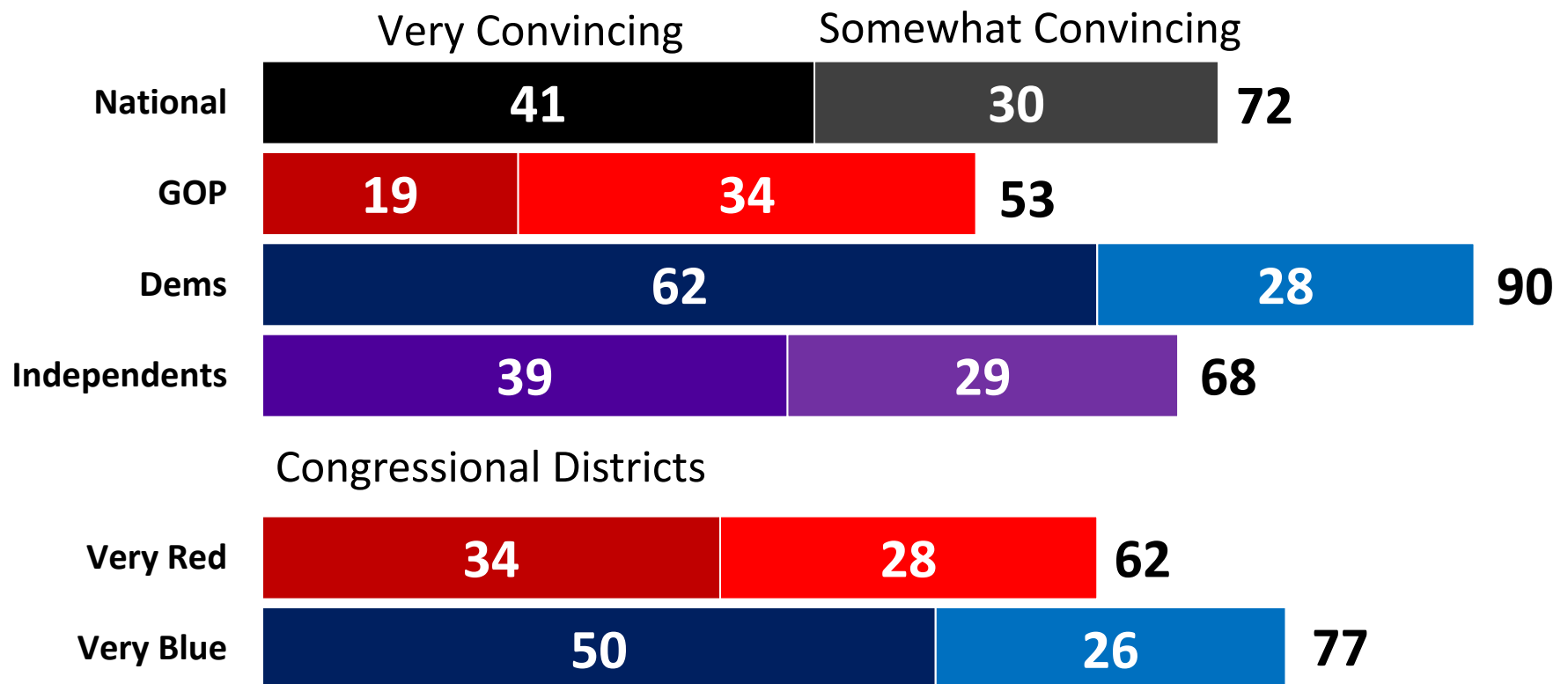
If oil companies drill in these offshore areas they will generate substantial new economic activity and revenues. Building and operating the oil rigs will create jobs along these coasts, diversifying the local economies. The oil company's payments for leases will produce additional revenues to federal and state governments. These revenues could be used to offset any negative environmental effects and even upgrade the environmental quality of the coastlines.



Lifting Ban on Offshore Oil Drilling

Con Argument 1:

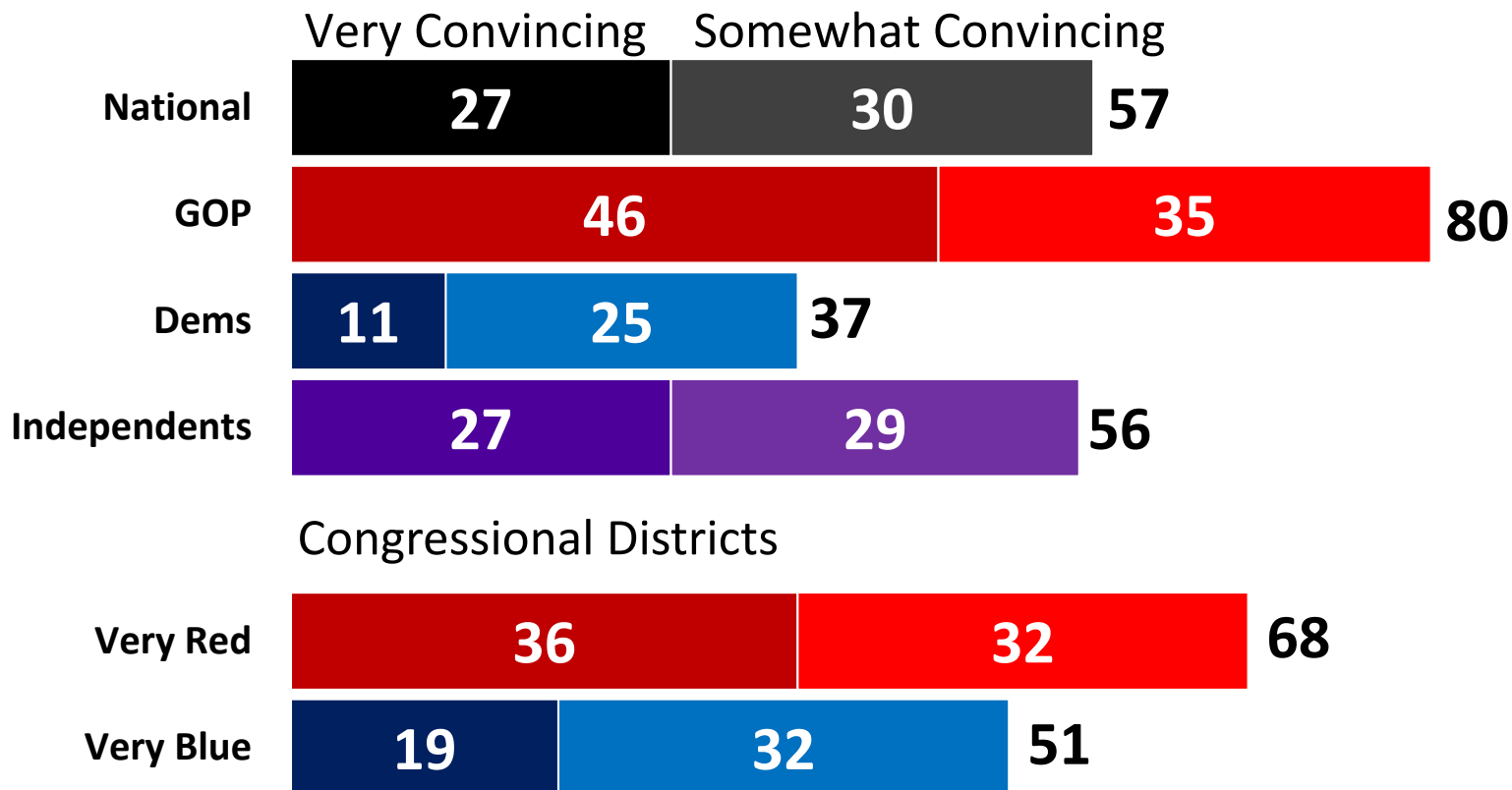
Expanded oil drilling will inflict damage to the fragile ecosystems of coastal areas. Small oil spills will certainly occur and there is a substantial chance that there will be more large catastrophic spills generating huge costs--both economic and environmental. This will pollute coastal waters and damage the local environment, hurting the fishing industry. This pollution will also undermine the multi-billion dollar tourism industry, in addition to the unsightly oil platforms.



Lifting Ban on Offshore Drilling

Pro Argument 2:

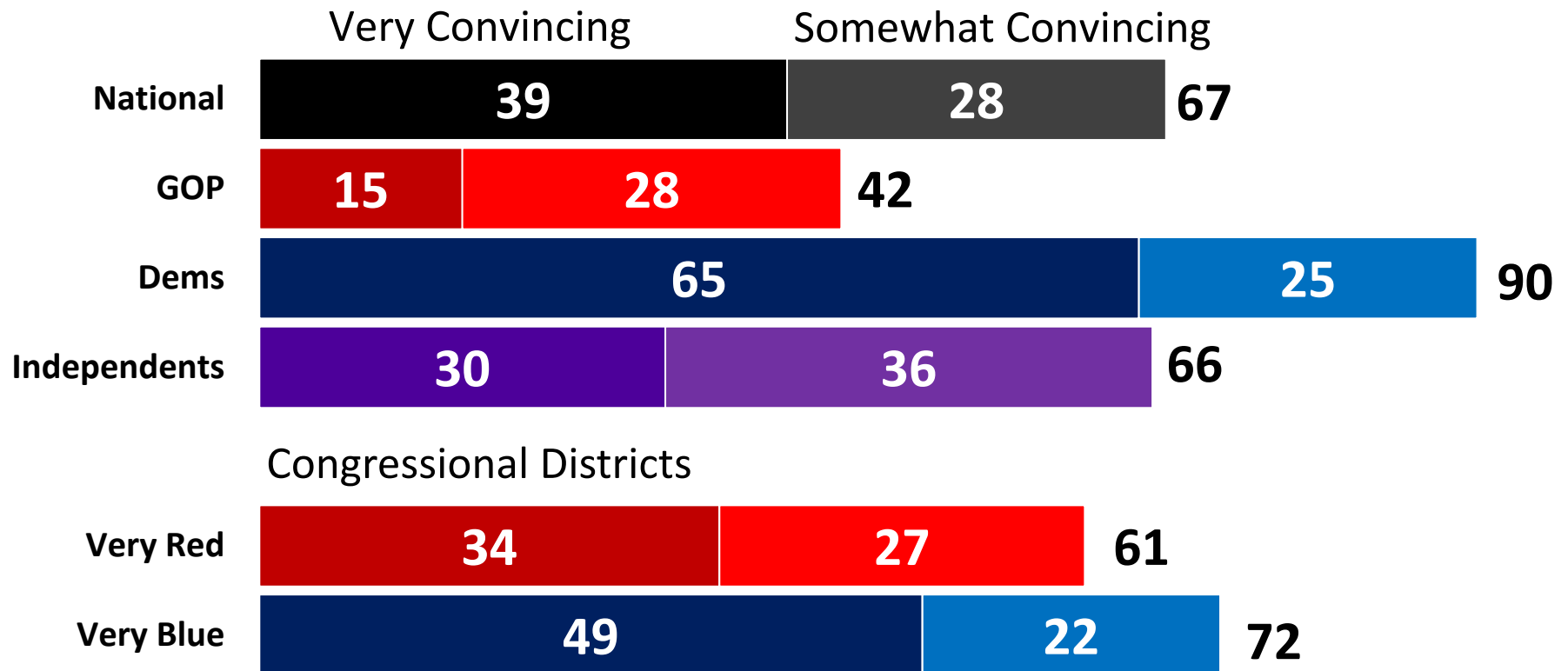
Producing additional oil will help enhance America's role on the world stage. By gaining energy independence our foreign policy will no longer be hamstrung by our reliance on other countries, some of whom are quite unfriendly to the US. We can move toward becoming a significant exporter of oil which can give us a new source of leverage in relation to other countries, in addition to giving a new boost to our economy.



Lifting Ban on Offshore Drilling

Con Argument 2:

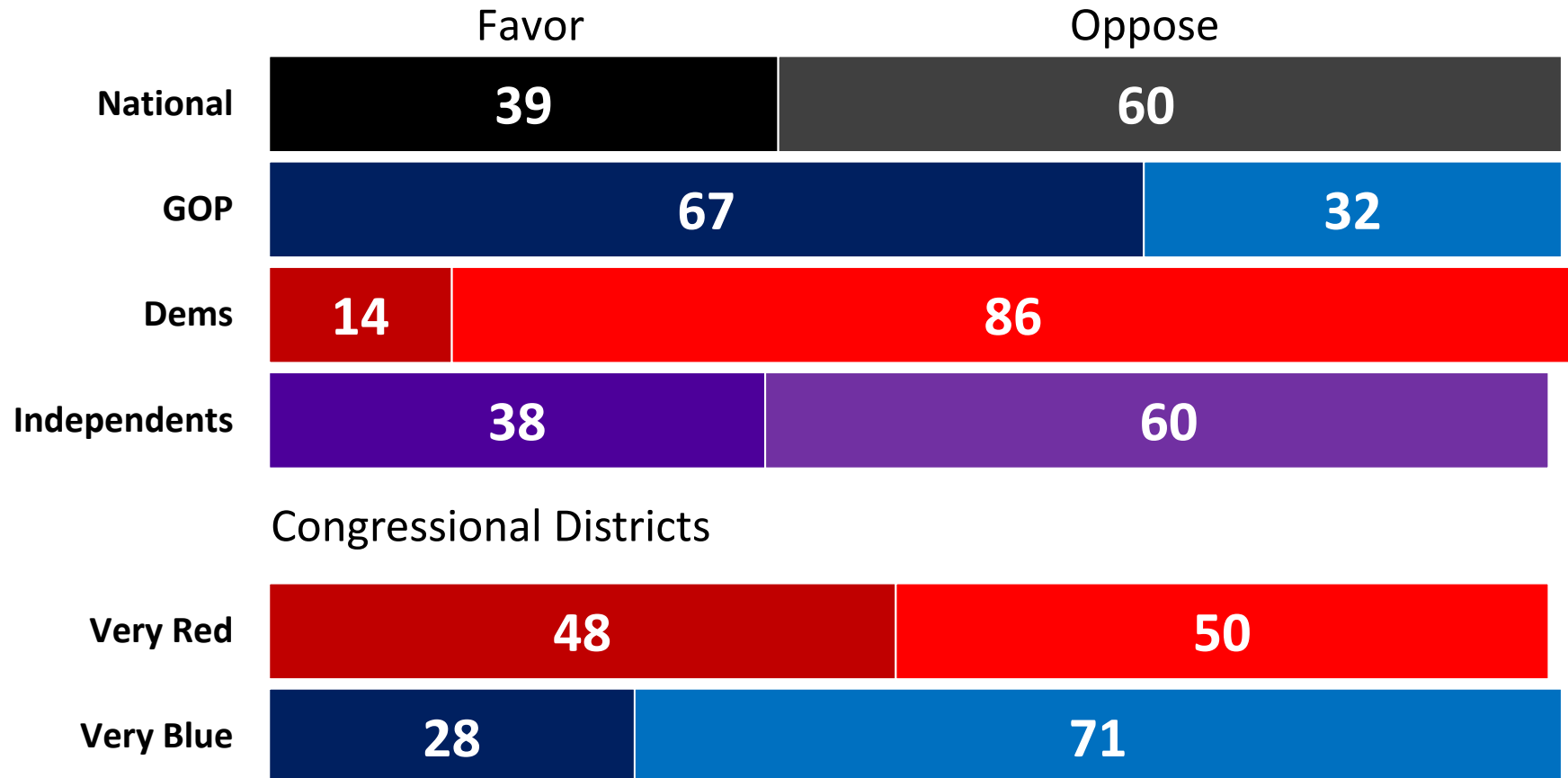
The fact that we have already been achieving energy independence makes it especially clear that it is not necessary for us to take the risks of expanding offshore drilling and to harm the tourism and fishing industries along the coasts. Having more oil is not a means for US to push other countries around. The US has lots of options to develop alternative sources of energy that are less environmentally damaging.



Lifting Ban on Offshore Oil Drilling

Final Recommendation:

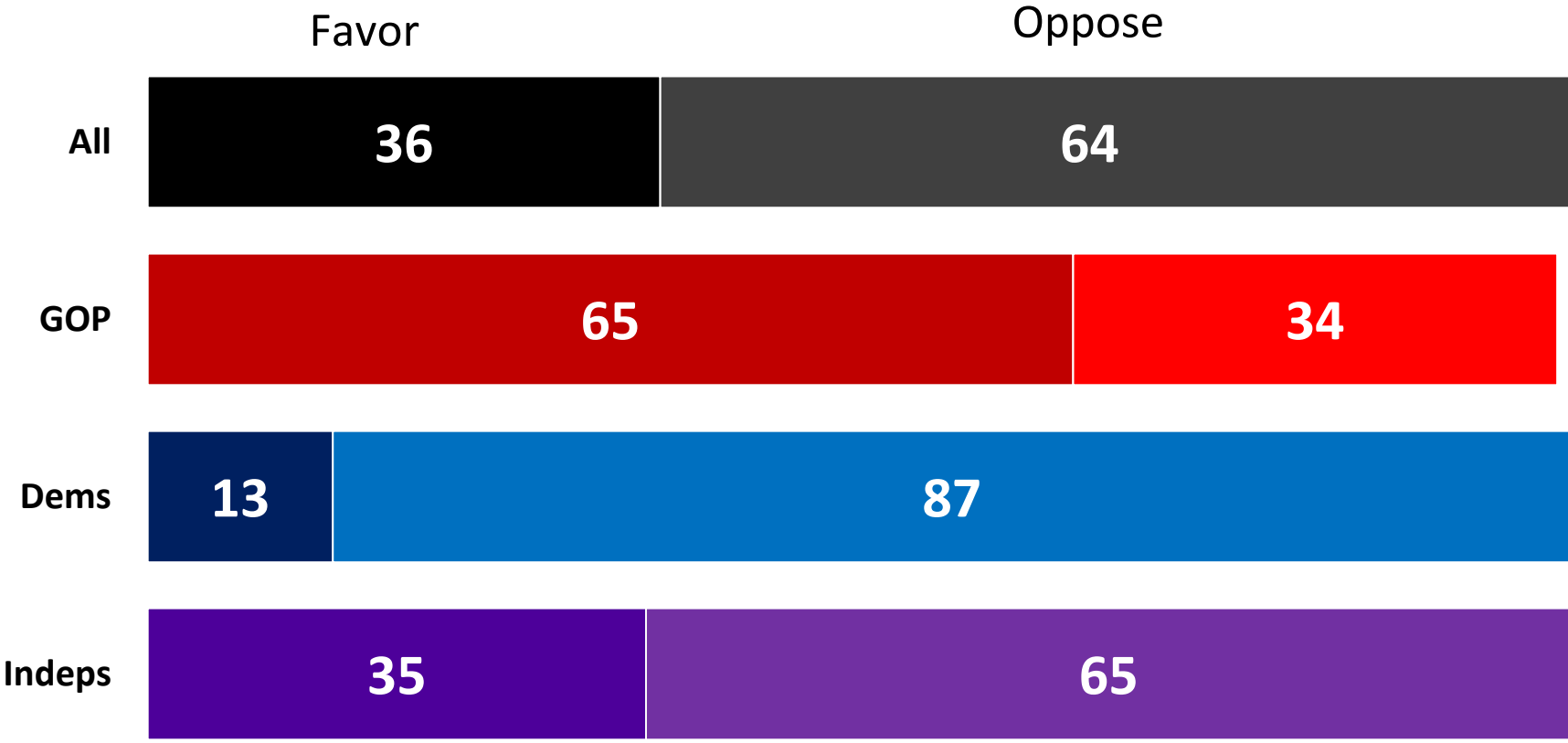
Do you favor or oppose the proposal to lift the bans and allow drilling for oil and gas along all of the Atlantic and Pacific coasts and to expand the allowed area around Alaska.



Lifting Ban on Offshore Oil Drilling

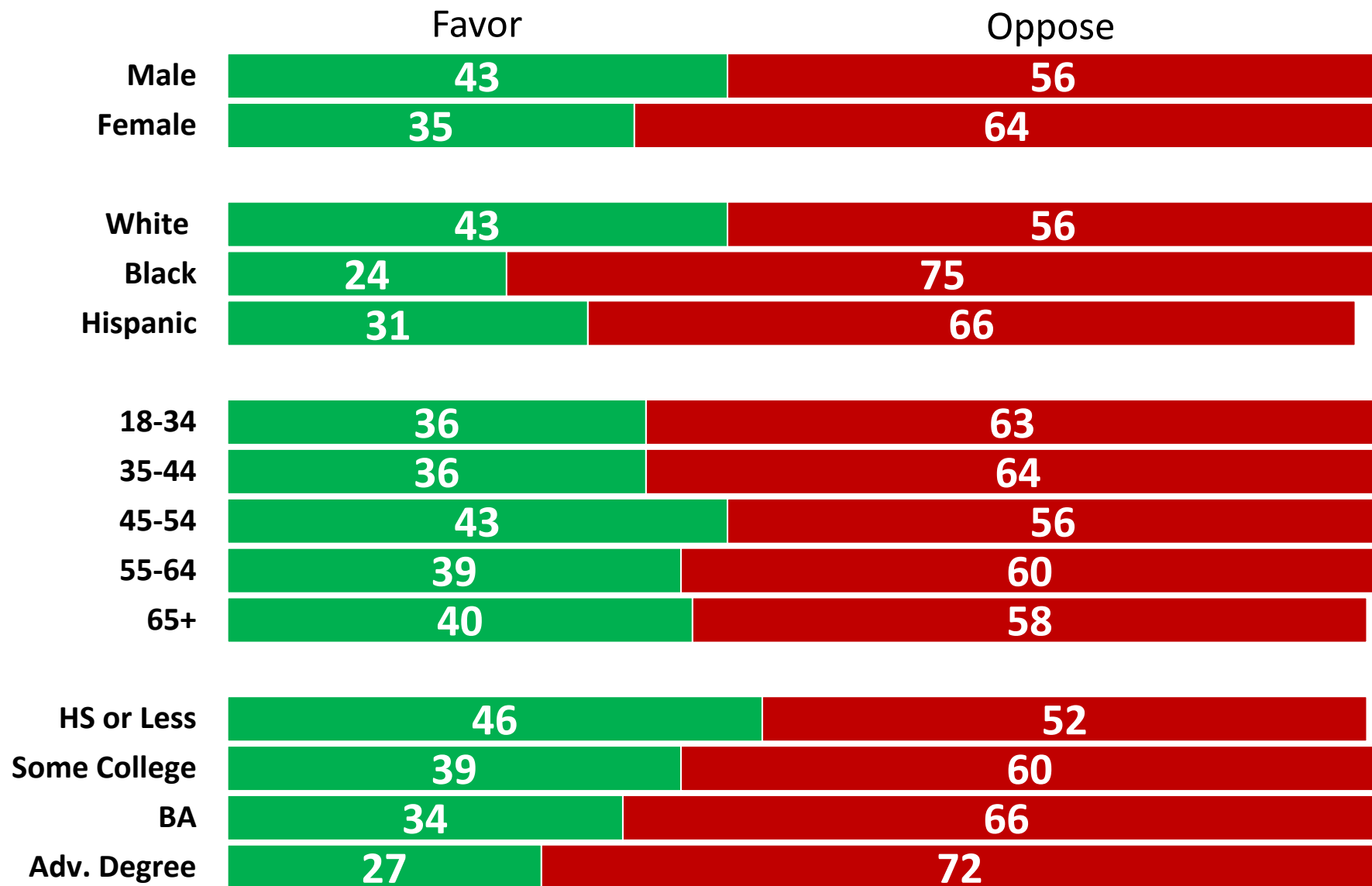
Final Recommendation:

17 Coastal States Affected by Lifting Ban



Lifting Ban on Offshore Oil Drilling

Final Recommendation Demographics:



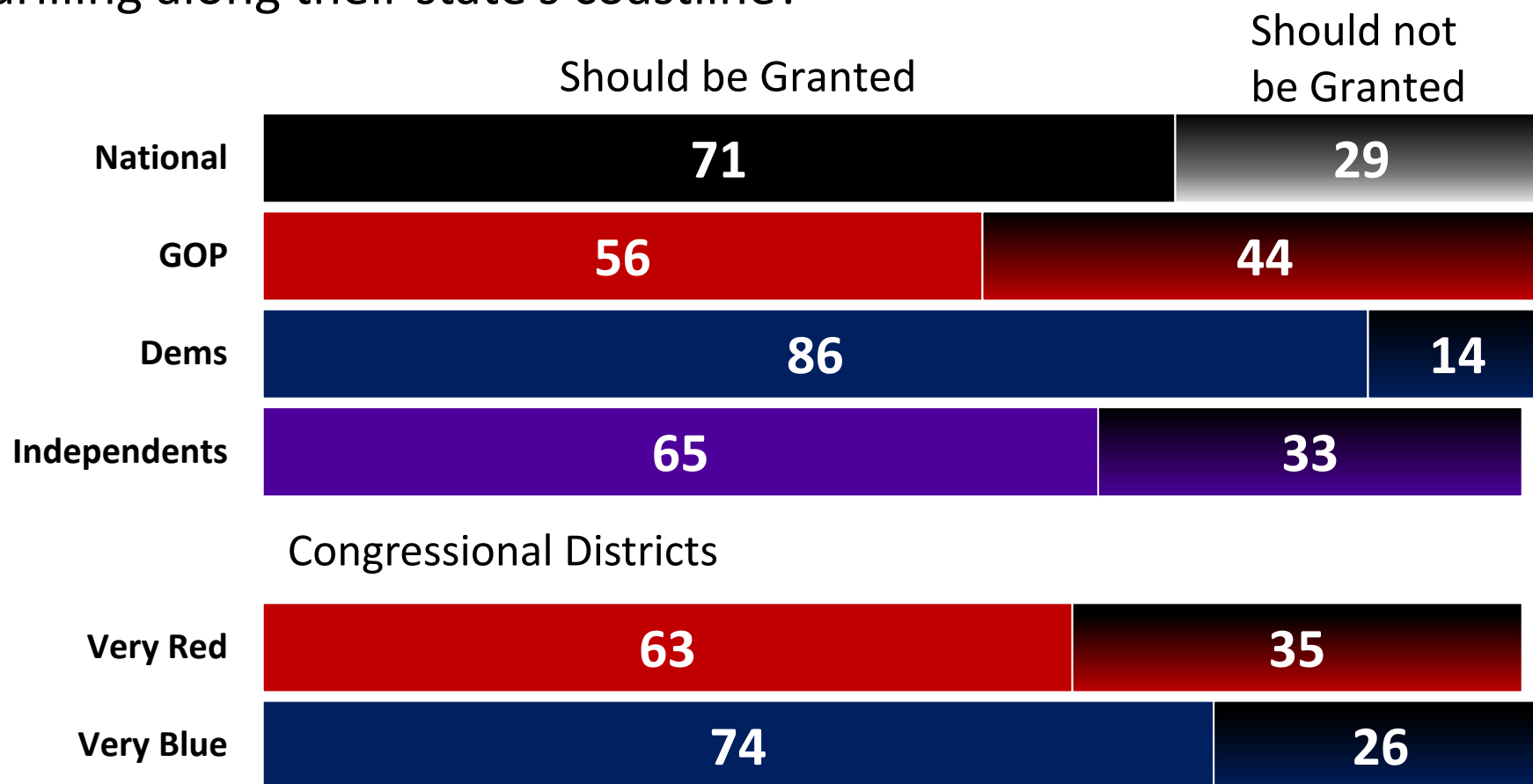
Giving States Waivers, Keeping Ban on Offshore Drilling

The proposal to allow offshore drilling along the Atlantic and Pacific coasts affects 17 states. As you may know governors in 15 of the 17 states have requested waivers that would keep in place the ban on offshore drilling for their states. These states requesting this waiver include--Florida, South Carolina, North Carolina, Virginia, Maryland, Delaware, New Jersey, New York, Connecticut, Rhode Island, Massachusetts, New Hampshire, California, Oregon and Washington. Florida has already been granted this waiver.

Giving States Waivers Keeping Ban on Offshore Drilling

FINAL RECOMMENDATION

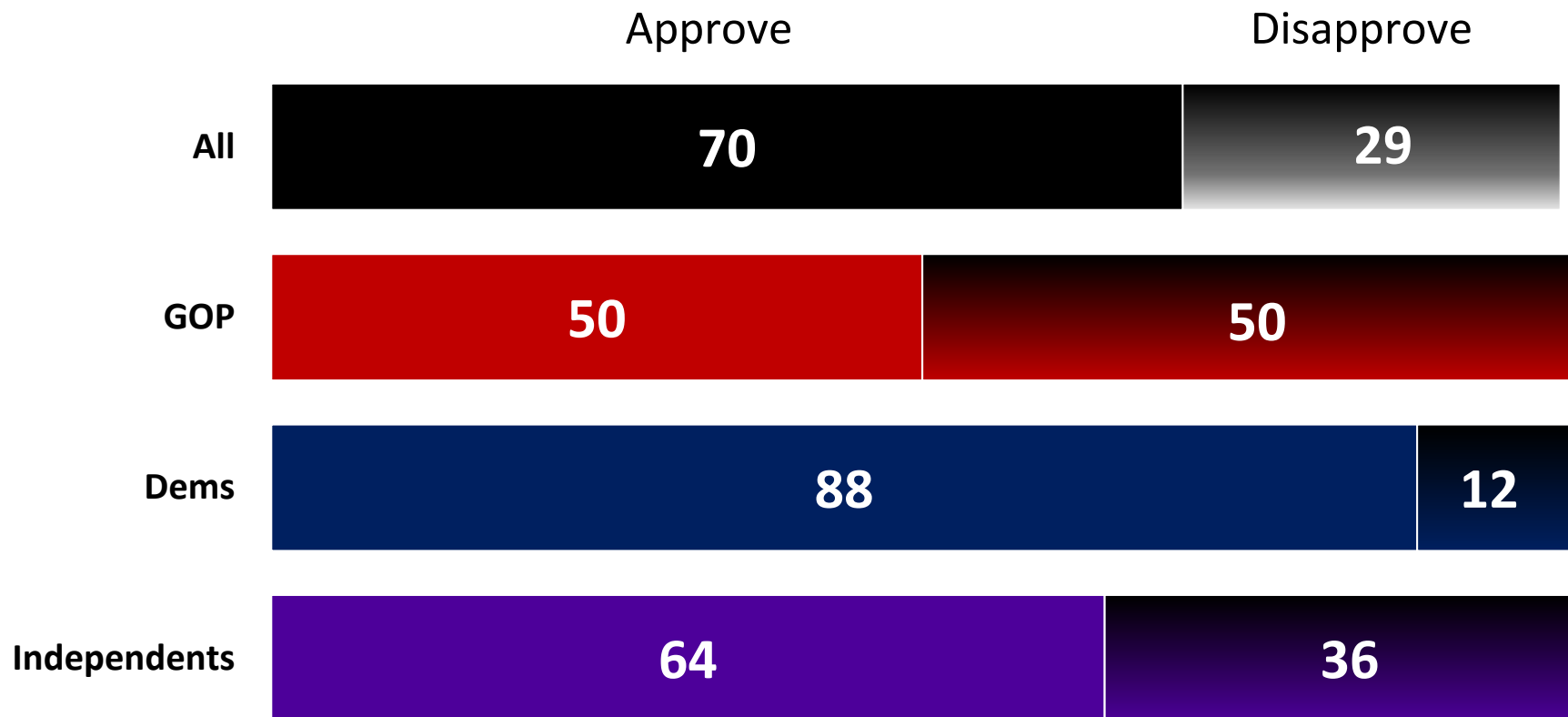
As a general rule, do you think states that request it should or should not be granted a waiver that would keep in place the ban on offshore drilling along their state's coastline?



Views of Their Governor Requesting Waiver

[Asked only in 15 states where governor made request]

Do you approve or disapprove of your governor requesting a waiver that would keep in place the ban on offshore drilling along your state's coastline?



Eliminating Requirement for Independent Auditors

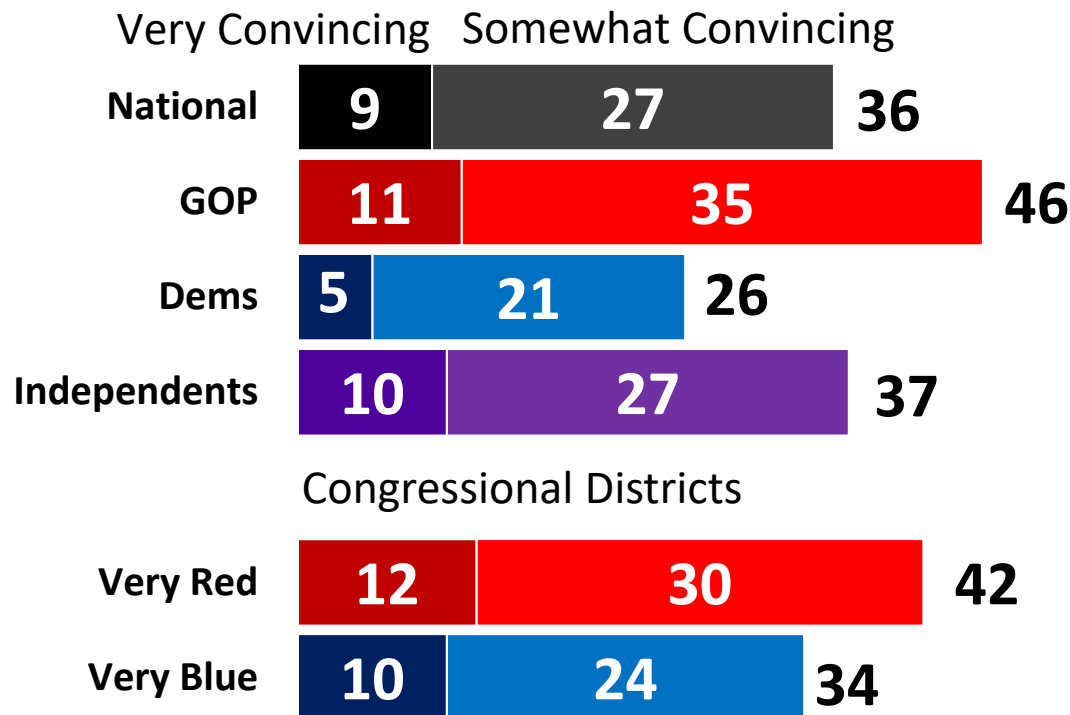
As you may recall, in 2010, there was a major oil spill in the Gulf of Mexico by the company British Petroleum. After the spill, a bipartisan presidential commission was established to look at what went wrong and to make recommendations. The Commission concluded that the government oversight of compliance with safety standards was not adequate. The commission recommended higher safety standards and that outside independent auditors, certified by the federal government, conduct inspections to ensure companies' compliance with the safety standards. The cost of the inspection was to be covered by the companies. These recommendations were adopted by the government, and independent auditors have been conducting regular inspections.

Currently, there is a proposal to eliminate the requirement that companies hire independent auditors, certified by the federal government, to conduct inspections to ensure compliance with safety standards.

Eliminating Requirement for Independent Auditors

Pro Argument:

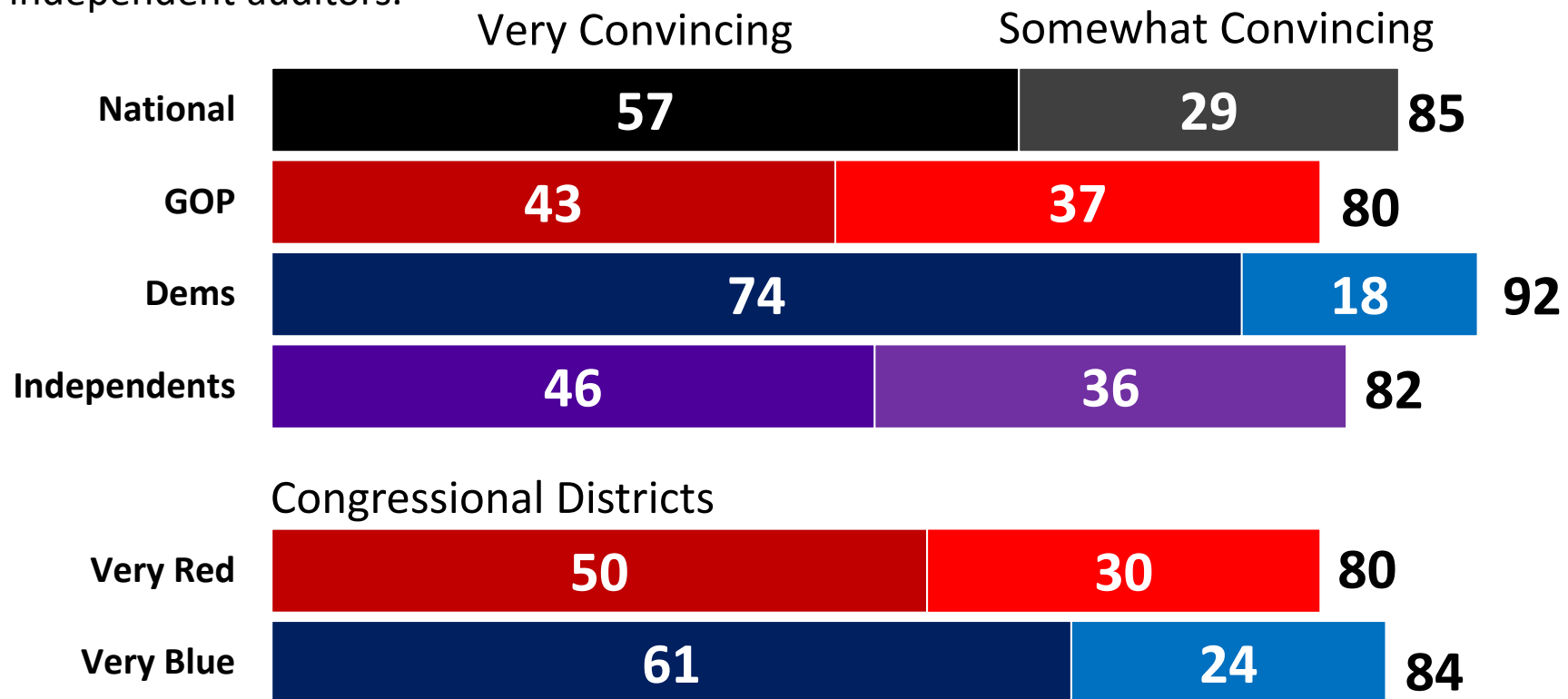
Requiring companies to pay for recurring inspections by independent auditors is a case of government overreach and an overreaction. In the wake of the oil spill, companies adjusted their practices in line with the new regulations. There is no need to prove this over and over again to expensive outside auditors. If the government wants to do inspections, that's fine, but it is too heavy a burden to make the companies pay the cost of independent inspections. Paying outside auditors' costs industry \$23 million a year--money that could be invested in creating jobs, increasing domestic energy production, furthering US energy independence, and contributing to the economy.



Eliminating Requirement for Independent Auditors

Con Argument:

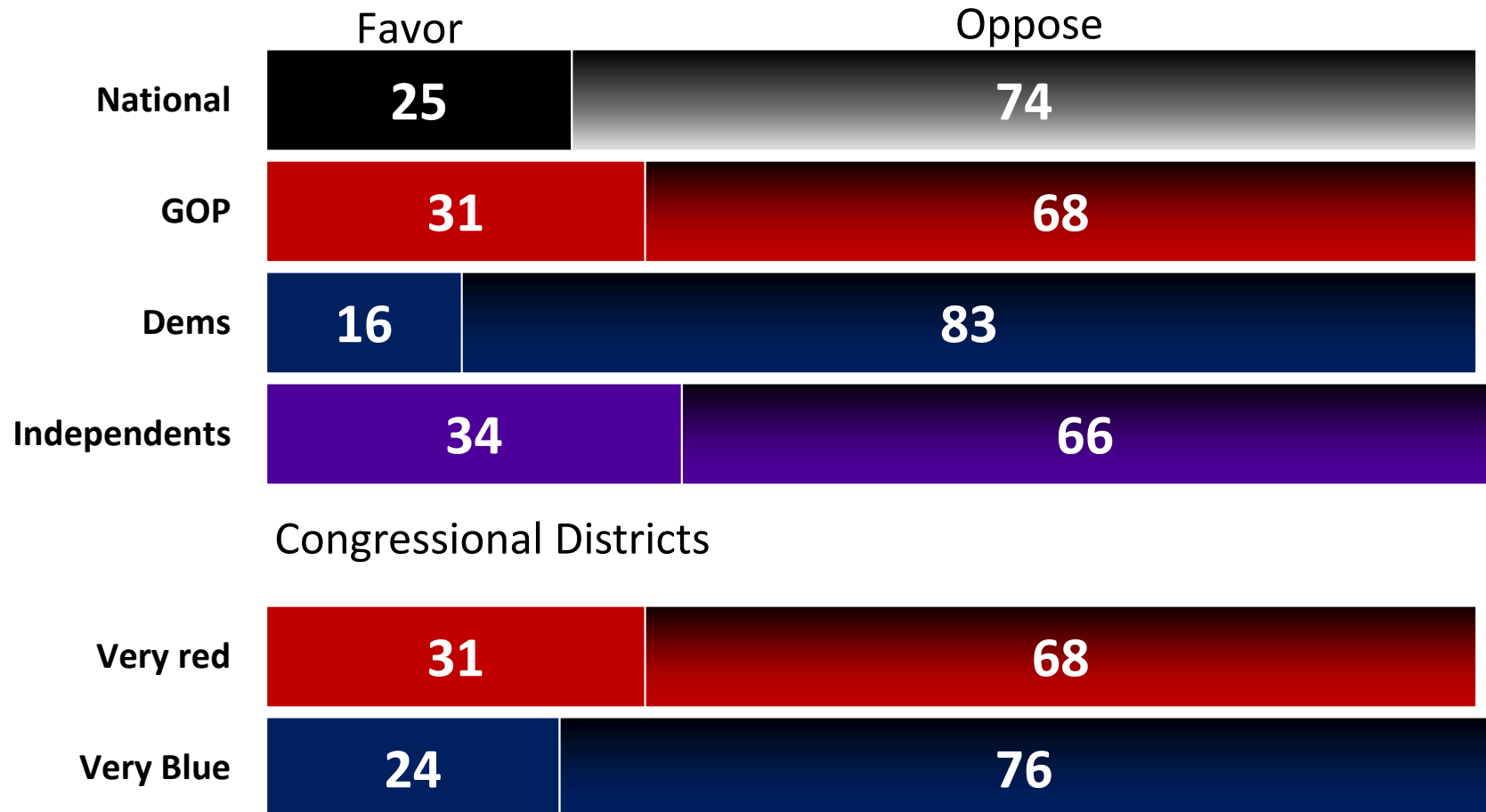
The idea that the companies can inspect themselves is absurd--they have an inherent conflict of interest and will resist taking safety measures that may be expensive. Companies have a history of rushing ahead in the effort to make profits without considering the potential safety consequences. It is normal in business to use independent auditors to ensure compliance with tax law and it makes sense to use independent auditors to ensure compliance with safety laws. Eliminating independent oversight increases the likelihood that oil spills will occur, which can be catastrophic for the environment and local economies. Oil companies make hundreds of billions of dollars a year; they can surely afford the relatively minor cost of paying independent auditors.



Eliminating Requirement for Independent Auditors

Final Recommendation:

So, in conclusion, do you favor or oppose the proposal to lift the regulation requiring that oil drilling equipment be inspected by independent auditors certified by the federal government.



Oil Spill Clean-Up Fund

As you probably know, there have been many oil spills, both on land as well as offshore, when there is an accident or breakdown of an oil carrier, a pipeline, or an oil rig. While you may have heard about the big spills, there are also many small and medium spills. As a general rule, the company that owns the system that caused the spill is responsible for paying the costs of the cleanup. However in some cases the company does not have the financial means to pay for the cleanup or they resist taking responsibility.

Because it is important to react quickly to an oil spill in order to prevent further damage, in 1986 Congress created a special fund to pay the cost of acting immediately in the event that the responsible company does not act promptly.

The federal government is still empowered to pursue companies to cover those costs later. Though most companies repay the fund, sometimes there is a legal battle and sometimes the company does not have the means to pay or goes out of business.

To pay for this fund, Congress imposed a 9 cent per barrel tax on all oil companies. The fund has received about \$500 million per year from oil companies.

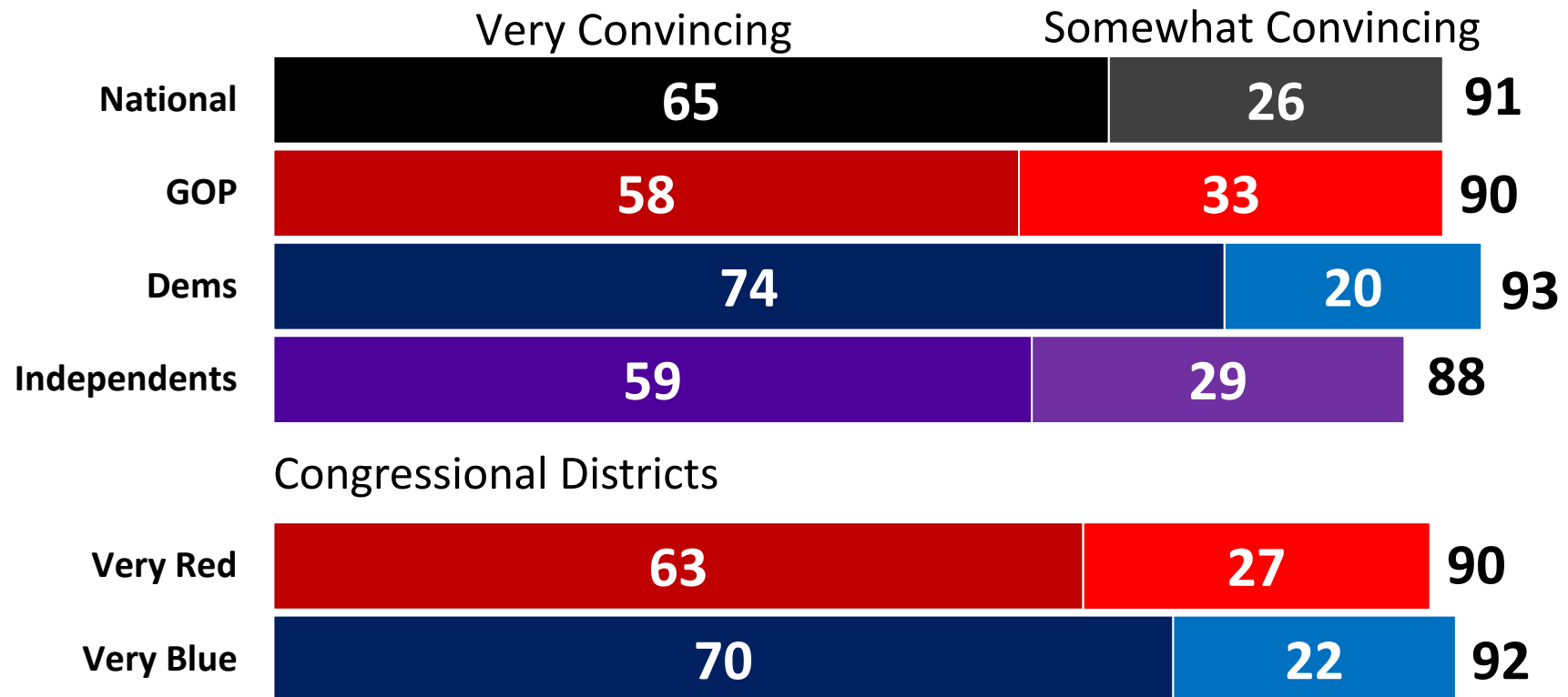
While this tax has been renewed numerous times over the years, it has at times lapsed, and most recently was only renewed for one year.

We would like you to consider a proposal to renew the tax for a 5 year period and to raise the amount to 10 cents. (The amount has not been adjusted for inflation since the tax was established in 1986.)

Oil Spill Clean-Up Fund

Pro Argument:

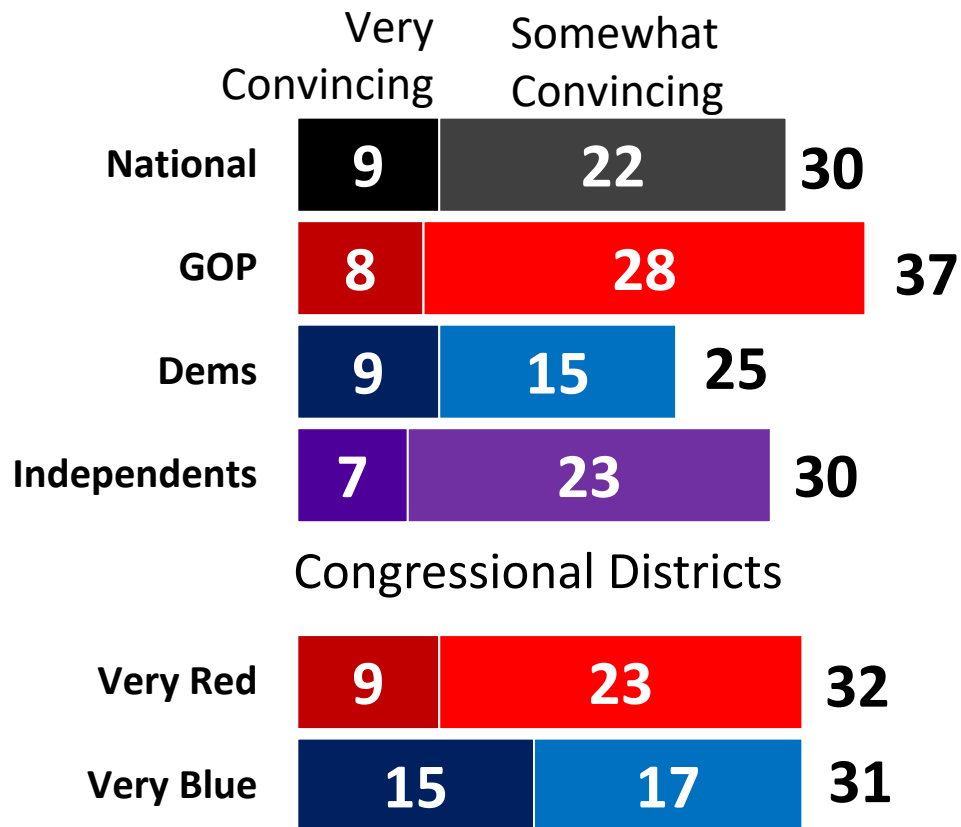
It is a privilege for oil companies to drill and transport oil in public waters and lands. Spills, both large and small, do happen and will surely happen again. It is reasonable to require oil companies to contribute to a clean-up fund as a kind of insurance in the event that companies will not or cannot pay to initiate the clean-up—which has happened. Oil companies should see it as a cost of doing business. It's not fair to make taxpayers cover the cost of clean-ups, when oil companies are the ones who benefit from the drilling and transport of oil.



Oil Spill Clean-Up Fund

Con Argument:

It's not fair to charge all oil companies this tax. Only a small number of companies are responsible for oil spills, and they should be required to pay for the clean-up when it happens, rather than charging all companies just in case some other company does not do what it should. This tax costs oil companies about \$500 million per year. That's a lot. And most of it is passed on to consumers, raising the cost of gasoline and heating oil. It is time to let this tax just pass away.



Oil Spill Clean-Up Fund

Final Recommendation

Would you favor or oppose renewing for 5 years the tax oil companies pay to a special fund to cover the cost of acting immediately to clean up an oil spill when necessary and raise the amount from 9 cents to 10 cents per barrel?

