Delegates,

Let this be your first welcome to UMASSMUN 2012 and the Deepwater Horizon Committee. The timeline for the committee will begin on April 22nd, 2010 - two days after the BP-leased Deepwater Horizon oil rig exploded. As members of this Committee you will share the floor with BP Executives, news reporters, first responders, local community representatives and Federal government representatives. Though currently not a headliner, if you remember back to the summer of 2010, the Macondo blowout was featured in almost every news outlet for months. It involved the management of ocean resources, coastal fisheries, public health concerns of coastal towns, and industries dependant on the Gulf. The blowout also turned a light on the United States permitting system for oil exploration. As of the 22nd when the Committee will begin, oil will still be flowing freely into the Gulf. The American government has gotten involved, and for BP the clock is ticking on plugging the well that exploded on the Deepwater Horizon rig.

The event was unique in many ways. Our task in committee will be to deal with managing the effects of the oil “spill”. This is a far-reaching goal. In this “background guide” I have compiled a preliminary profile of the most prominent issue stakeholders; those affected by the spill. These are the people, companies, and local governments whose concerns your policy directives will have to satisfy. Second, I have included a brief background of the BP energy company. Transnational corporations are a powerful geopolitical force; BP’s actions in light of the Macondo blowout were unprecedented. They were very involved in the clean-up of the oil, offered a restitution fund, and significantly restructured their company in response. As a committee you may find yourselves mirroring these actions, or taking a completely different turn. Primarily, remember that BP is a dynamic multi-faceted organization and there are many creative solutions available to you.

Finally, the Committee will be responsible for arriving at a comprehensive plan for dealing with the effects of the Macondo blowout and presenting them at a press conference scheduled for our final session. With that in mind, coming to Committee with a basic idea of why you think the spill may have happened is highly advisable – diagnosing the “problem” is often a valuable step in finding a solution after all!

If you have any questions about BP, the oil spill, reliable sources, etc. or just want to introduce yourself, please feel free to e-mail me.

I look forward to meeting you all in the Spring!

Your Chair,

Amanda Orth
University of Massachusetts, Amherst 2012
aorth@student.umass.edu
What Happened?

On April 20th, 2010 an offshore drilling rig exploded in the Gulf of Mexico. 11 people were killed and around 5 million barrels of oil were spilled into the Gulf.

This graphic describes the specific chain of events that led to the “blowout” on the rig. The resulting explosion led to ‘Deepwater Horizon’ sinking into the ocean. The initial investigation revealed that this caused the 5,000-foot pipe connecting the wellhead to the rig to bend as the rig sank. This caused two leaks in the pipe, discovered nearly a mile below the ocean surface on April 24th by deployed robotic devices.

This could have been prevented by activating the blowout preventer on the rig, meant to seal the well in event of any unusual increase in pressure detected in the well. For more specific information on blowout preventers and how they function, you can visit “Spill Prevention and Response” at [http://www.oilspillinfo.org/prevention/offshore-well.html](http://www.oilspillinfo.org/prevention/offshore-well.html)

Most importantly for our purposes is the fact that the crew on the Deepwater Horizon rig did not activate the blowout preventer, the primary safety measure of any oil rig, even after a change in pressure from the well was detected. This negligence is a serious breach in BP company procedure and immediately resulted in the explosion and Deepwater Horizon sinking. It needs to be ascertained exactly what went wrong and who bears the responsibility for it, so that this situation can be avoided in the future.

The most common method of dealing with damaged wells is drilling ‘relief wells’ to pump in mud and cement, permanently sealing the well. The ‘relief wells’ are thus meant to permanently seal the original, damaged wells. There does not mean a 100% success rate. An example is the IXTOC I blowout which occurred in Bahia de Campeche, Mexico in June 1979. In a similar response pattern, the company leasing the IXTOC I platform, PEMEX; hired blowout control experts, attempted unsuccessfully to seal the well through activating the blowout preventer, and drilling two relief wells. Around 10,000 to 30,000 barrels per day of oil continued to spill from the site until the well was capped in March of 1980.

For any further questions about any of this material, again, you can e-mail me at aorth@student.umass.edu or visit the blog created for this committee, [http://umun12deepwaterhorizon.wordpress.com](http://umun12deepwaterhorizon.wordpress.com)
The Players:

The Federal Government:
The federal agency OSHA regulates marine oil spill response according to 40 CFR 300, the National Oil and Hazardous Substance Pollution Contingency Plan. (NCP). The NCP regulations describe the procedures for responding to the release of hazardous substances and oil ‘discharges.’

Admiral Thad W. Allen of the Coast Guard
Served as the National Incident Commander of the Unified Command for the Deepwater Horizon oil spill. He continued to be involved with the incident in various capacities even after his retirement on June 30th, 2010 as Commandant. Well known for having occupied a similar role in responding to the Hurricanes Katrina and Rita during his tenure as Commandant of the Coast Guard. Admiral Allen not represents a powerful facet of the United States Federal presence on the scene.
http://www.marinelog.com/DOCS/NEWSMMIX/2010may00010.html

Elizabeth Birnbaum, Director of the US Minerals Management Service
The Minerals Management Service was originally created in 1982. As of April 2010 it was the agency of the Interior Department responsible for all aspects of overseeing the oil industry as it operated within US territory. This includes safety oversight, approving drilling permits and collecting royalties from energy companies. This agency is almost solely responsible for enforcing the importance of incident prevention with oil and energy companies. It is through this agency that any eventual future drilling permits will be issued.

Interior Secretary Ken Salazar [D]
Assumed current office on January 20th, 2009. Previously a US Senator from Colorado from January 2005 to January 2009. As part of his role, Salazar oversees federal agencies under the auspices of the Interior Department. These include; the Bureau of Land Management, the United States Fish and wildlife Service, and the United States Geological Survey, among others. Though generally accepted, strong environmentalists regard him with some suspicion due to his ties with the coal and mining industries and habit of favoring industry and big agriculture in divisive issues. He is generally viewed by the public as the public representative of Federal government action in response to the Deepwater Horizon oil spill. The public and media will carefully scrutinize any action taken by Secretary Salazar.

Governor Bobby Jindal of Louisiana [R]
Governor Jindal assumed his office on January 14th of 2008. He has previously served in the United States House of Representatives and there supported a bill to acquire $300 billion towards coastline restoration in Louisiana. He is a noted supporter of alternative energy solutions for the future.
Governor Haley Barbour of Mississippi [R]
The Governor of Mississippi assumed his role on January 13th, 2004 and has served as the chairman of the Republican Governors Association since his election in June, 2009. In 2011 he will necessarily step down from his post as Governor due to Mississippi term limits. Governor Barbour is generally viewed as a strong leader and believes that “All forms of energy – coal, natural gas, oil, nuclear and renewables – play a crucial role in attracting industry to our state and bringing high-paying jobs to our citizens.”

Governor Bob Riley of Alabama [R]
The Alabama Governor assumed office on January 20, 2003 after a stint in the U.S. House of Representatives. The public seemed to favor his leadership role during Hurricane Katrina, and he was elected to a second term in office. Job creation and in Alabama was a big part of his campaign promise to the people of Alabama. Riley claimed significant credit for creating economic development in the state during his tenure. However statistics provided by the Alabama Department of Industrial Relations would indicate otherwise, and unemployment in the state reached a record low in May of 2009.

Governor Charlie Crist of Florida [R]
Considered a strong environmental advocate for actions taken during his Gubernatorial term. Governor Crist originally opposed offshore oil drilling during his campaign, but at least officially changed his position in June of 2008 when rising oil prices became a large burden for Florida citizens. Otherwise he has supported both land conservation measures and air pollution controls.
BP, Company Board

The bp oil company adopted the colors green and yellow in 1923, ostensibly inspired by “nature and spring.” They have remained committed to conscientious marketing strategies. Today the five “values” they tout as central to their company mission are; safety, respect excellence, courage, and one team. How they respond to the oil spill in the Gulf Coast will affect the future of the company because of this long-term marketing strategy. It also gives the company an opportunity to convince shareholders to reinvest in a new direction for the company. It could go either way!

Robert Dudley
Group chief executive
- Assumed his position on 1 October 2010
- Has a degree in Chemical Engineering (University of Illinois, USA), an MBA from SMU (USA), and an MIM from Thunderbird School of Global Management (USA)
- More information about his career and profile can be found at “Robert Dudley: Group Chief Executive”
  http://www.bp.com/sectiongenericarticle.do?categoryId=9028860&contentId=7052605

Iain Conn
Chief executive, Refining and Marketing
- Member of the BP executive management team and board of directors
- Studied chemical engineering and management at The Imperial College, London.
- More information about his career and profile can be found at “Iain Conn: Executive director”
  http://www.bp.com/sectiongenericarticle.do?categoryId=9021978&contentId=7038582

Byron Grote
Chief financial officer
- Member of the BP board of directors and a member of the BP executive management team, has group accountability for BP’s integrated supply and trading activities
- PhD in Quantitative Analysis from Cornell University
- More information about his career and profile can be found at “Byron Grote: Executive director”
  http://www.bp.com/sectiongenericarticle.do?categoryId=9021979&contentId=7038250

Paul Anderson
Non-executive direction
- Appointed to his position on 1 February 2010.
- A member of the; Chairman’s, Gulf of Mexico, and the Safety, ethics and Environment Assurance Committees.
- More information on his profile is available at “Paul Anderson, The Board”
  http://www.bp.com/sectiongenericarticle.do?categoryId=9032483&contentId=7060616
Frank “Skip” Bowman
Non-executive director
- A retired Admiral of the US Navy, he was appointed a non-executive director of BP on 8 November 2010.
- Member of; the Chairman’s Committee and the Safety, ethics, and environment assurance committees.
- More information can be found at “Frank “Skip” Bowman, The Board” http://www.bp.com/sectiongenericarticle.do?categoryId=9035638&contentId=7066038

Antony Burgmans, KBE
Non-executive director
- Appointed to his position within BP on 5 February 2004.
- A member of the Chairman’s Committee, the Nomination Committee, and the Safety, ethics and environment assurance Committee as well as the Chairman of the Remuneration Committee.
- More information can be found at “Antony Burgmans, The Board” http://www.bp.com/sectiongenericarticle.do?categoryId=9021805&contentId=7040625

Cynthia Carroll
Non-executive director
- Appointed to her position on 6 June, 2007.
- A member of the Chairman’s Committee, the Nomination Committee and the Safety, ethics and environment assurance Committee.
- More information can be found at “Cynthia Carroll, The Board” http://www.bp.com/sectiongenericarticle.do?categoryId=9021813&contentId=7040632

Sir William Castell, LVO
Non-executive director and senior independent director
- Appointed to his position within BP on 20 July 2006.
- He is the senior independent director, and a member of the Chairman’s Committee, the Gulf of Mexico Committee, the Nomination Committee, and the Chairman of the Safety, ethics and environment assurance Committee.
- More information can be found at his company profile, “Sir William Castell, The Board” http://www.bp.com/sectiongenericarticle.do?categoryId=9021806&contentId=7040626

George David
Non-executive director
- Appointed to his position on 11 February 2008.
- A member of the Chairman’s Committee, the Audit Committee, the Gulf of Mexico Committee, and the Remuneration Committee.
- More information can be found at his company profile, “George David, The Board” http://www.bp.com/sectiongenericarticle.do?categoryId=9022306&contentId=7041277
Ian Davis
Non-executive director
• Appointed to his position on 2 April 2010.
• A member of the Chairman’s Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Chairman of the Gulf of Mexico Committee.
• More information can be found at his company profile, “Ian Davis, The Board”
  http://www.bp.com/sectiongenericarticle.do?categoryId=9033139&contentId=7060705

Brendan Nelson
Non-executive director
• Appointed to his position on 8 November 2010
• A member of the Chairman’s Committee and the Chairman of the Audit Committee.
• More information can be found at his company profile, “Brendan Nelson, The Board”
  http://www.bp.com/sectiongenericarticle.do?categoryId=9035639&contentId=7066037

Phuthuma Nhleko
Non-executive director
• Appointed to his position 1 February 2011.
• A member of the Chairman’s Committee and the Audit Committees.
• More information can be found at his company profile at “Phuthuma Nhleko, Group Chief Executive”
  http://www.bp.com/sectiongenericarticle.do?categoryId=9036699&contentId=7067629
Essential Resources:

- “Dean’s Theme 2011: Deepwater Horizon” [http://guides.library.umass.edu/Deepwater](http://guides.library.umass.edu/Deepwater)
  This is an invaluable collection of materials collected by the UMass Amherst librarians on the Deepwater Horizon incident and the Gulf Coast area. If you use only one site for research, this should be it.

- “Incident News” Reports, Press Releases, and Public Information links:
  [http://www.incidentnews.gov/incident/8220](http://www.incidentnews.gov/incident/8220) This website is a great way to familiarize yourself with events immediately following the explosion on the rig and the information at hand.

- The Minerals Management Service
  This is the government agency in charge of policing oil and energy companies. MMS is responsible for providing energy companies like bp with a strong incentive to prevent any production disasters. Since the agency has undergone “restructuring” and its services are now provided under the “Bureau of Ocean Energy Management, Regulation and Enforcement” no official website exists for the MMS, but the New York Times does have a great archive of articles about the agency at [http://topics.nytimes.com/top/reference/timestopics/organizations/m/minerals_management_service/index.html?inline=nyt-org](http://topics.nytimes.com/top/reference/timestopics/organizations/m/minerals_management_service/index.html?inline=nyt-org)

- Bp Global website:
  This is really important reading to familiarize yourself with the corporate image of bp, as it has shaped a lot of their decisions.
  [http://www.bp.com/bodycopyarticle.do?categoryId=1&contentId=7052055](http://www.bp.com/bodycopyarticle.do?categoryId=1&contentId=7052055)

- “RestoreTheGulf.gov” The official website of the Deepwater Horizon Unified Command led by Admiral Allen.
  This is the official NY Times collection of articles summarizing the event. Provides a concise summary of how the Gulf Coast region is faring about a year after the Deepwater Horizon spill. This is a very useful source for tracking the development of events, popular sentiment, and the success or failure of various policies.

Questions to Consider:

The spill caused the US government to reevaluate the Federal agency responsible for allocating drilling permits. BP has a large portfolio of American drilling permits and had a substantial commercial interest in continuing to drill in American territory.