

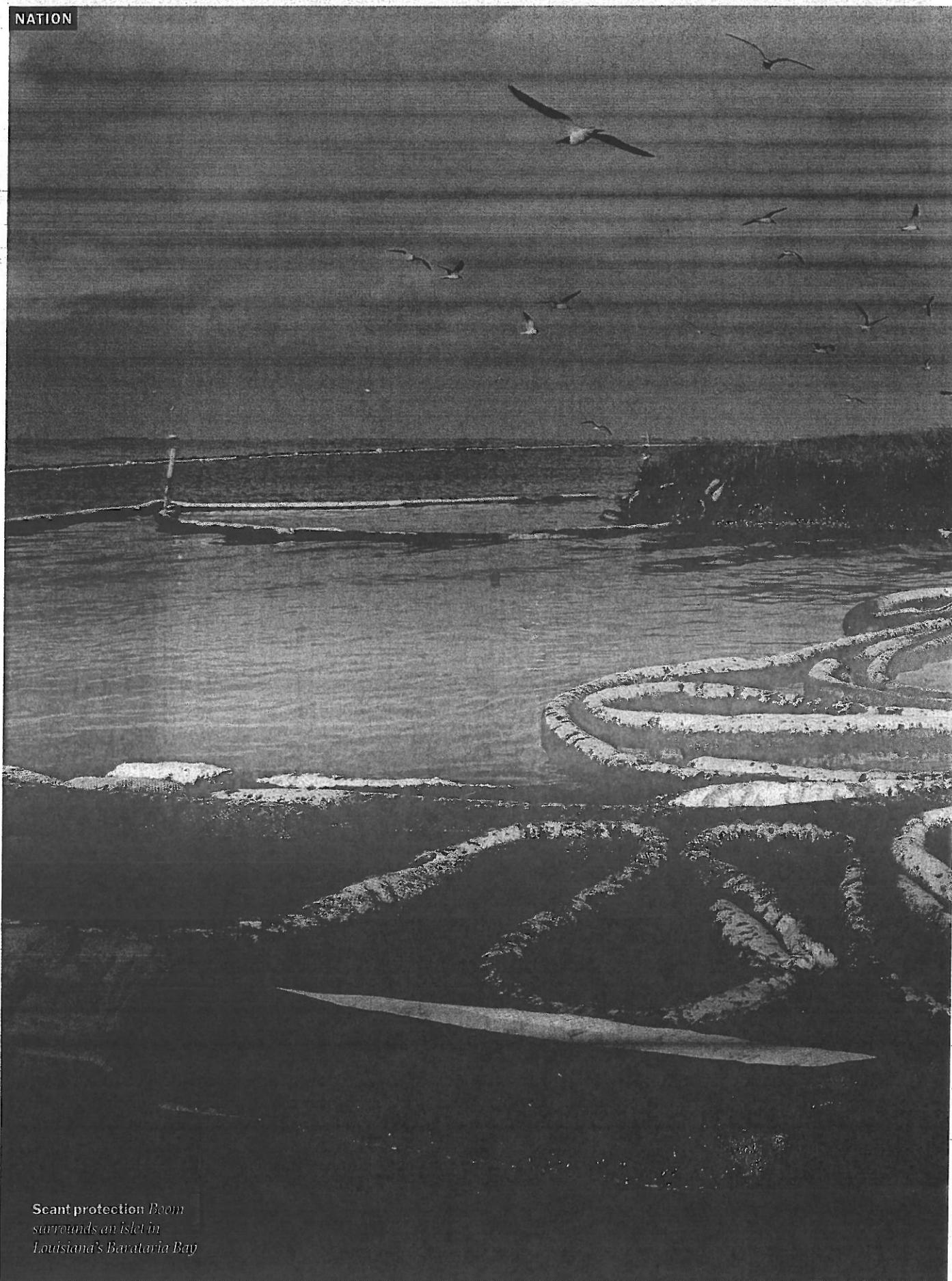
The Spreading Stain

A combination of industry recklessness and regulatory failure led to the Gulf of Mexico catastrophe. It will happen again unless Washington, business and the rest of us change

BY BRYAN WALSH



NATION



Seant protection Boom
surrounds an islet in
Louisiana's Barataria Bay

Photograph by Peter van Agtmael—Magnum for TIME

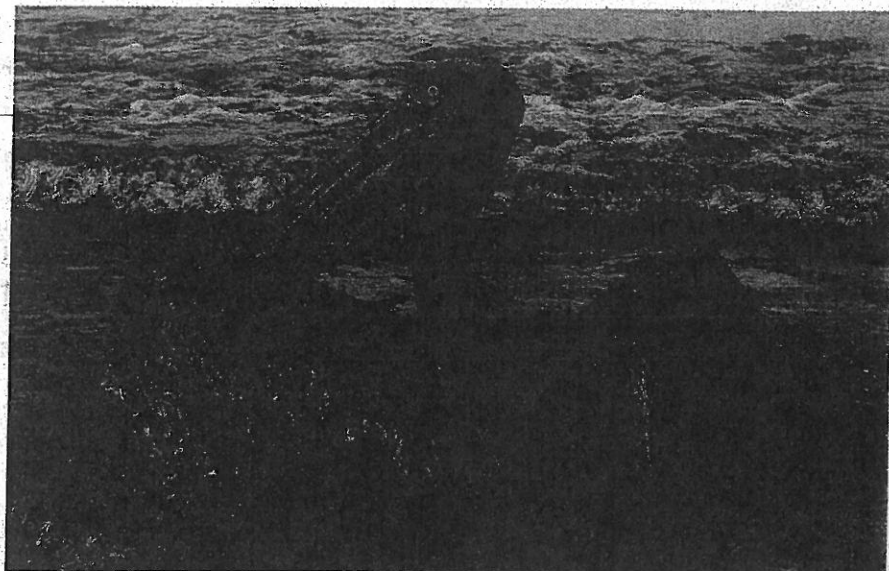
I.

THE IMPACT:
ON THE OILY COAST

TERRY VARGAS IS LIVING WITH THE oil. Nearly three weeks ago, the third-generation shrimper pulled into port in Grand Isle, in southeast Louisiana, with a catch worth \$1,400. But that was before authorities closed the rich Delta waters to fishing, thanks to the massive oil spill that has swamped the shoreline. Like many furloughed Louisiana fishermen, Vargas took a check from BP—part of the energy giant's promise to Gulf Coast residents to "make things right" in the wake of the biggest environmental disaster in U.S. history. It was for \$5,000, an amount Vargas says he can make in two nights during a good shrimping season. Still, \$5,000 is better than nothing, but Vargas knows it won't cover his expenses now or in the uncertain weeks ahead. So he has taken on carpentry jobs—the only paying work he can find—and today is building a small shed among the houses on Grand Isle, many of which stand on stilts, stork-like, to endure the inevitable floods.

Vargas thinks about the hurricane season that began on June 1—forecasters predict a major one—and remembers when Katrina hit and left a pile of sand in his living room. Hurricanes pass; people evacuate, and then they rebuild. But the spill is a disaster of a different kind. He worries about a storm hitting the oily waters, raining crude on his hometown. "If that oil comes ashore," Vargas says, "it's all over."

More than a month and a half after the Deepwater Horizon rig exploded, the vast oil spill it triggered—an estimated 50 million gal. of crude lost, if not far more—entered a new phase. For the first time there was genuine, sustained success in controlling the leak 5,000 ft.



Trapped Clockwise from top left: brown pelicans, fish, laughing gulls and sea turtles—commonly found on the Louisiana coast—have all fallen victim to the spill

below the Gulf of Mexico's surface. After top kills and junk shots failed, BP's underwater robots sheared off part of the mangled riser pipe and placed a containment cap over the leak, diverting up to 15,000 bbl. of oil a day that would have otherwise bled away.

Yet that engineering achievement seemed hollow. The containment cap is essentially an inverted bucket with several holes in it, carrying oil up to a collection ship through a pipe. Some oil will continue to gush out until at least August, when relief wells will finally kill the spill. In the meantime, oil will keep hitting the sensitive shorelines of the Gulf states, poisoning wildlife and destroying livelihoods. The spill is "an insidious enemy," said Coast Guard Admiral Thad W. Allen, the top federal official on the response. "This is a long



campaign, and we're going to be dealing with this for the foreseeable future."

As that realization sank in—that this will be the summer of the spill (and perhaps the fall and winter too)—public shock turned to anger, fueled by the first iconic images of oil-drenched birds and turtles. Most of that anger was directed at BP, the energy giant chiefly responsible for the spill and, perversely, for cleaning it up. An Internet campaign sprang up to boycott the company's gas stations, while activists in Washington called for the citizen's arrest of BP's gaffe machine of a CEO, Tony Hayward, who blurted out that he would just "like [his] life back"—something he has in common with the 14 million residents of the Gulf Coast. Even when the company did something right, it couldn't do it right: for every 15,000 bbl. of oil that make it to the collection ship through the

containment cap, perhaps 10,000 still leak away in the deep, and possibly far more. The ship must process what it collects before it can be stored, separating oil from gas from seawater, and it's limited in how much it can handle.

President Barack Obama—criticized for being too cool in a crisis—has begun to reflect America's rage. "I don't sit around talking to experts because this is a college seminar," he told the *Today* show on June 7. "We talk to these folks because they potentially have the best answer, so I know whose ass to kick."

There's plenty of ass-kicking to go around. The Deepwater Horizon spill was also a regulatory failure, one that was a long time coming. The Minerals Management Service (MMS), the Interior Department agency meant to oversee offshore drilling, did far too little for far too long,

creating a laissez-faire atmosphere in which a major accident was just waiting to happen. Though MMS's lax oversight dates back to its creation in 1982 by Interior Secretary James Watt, a disciple of deregulation, Obama and his team did too little to clean house when they took over—just as they've been too slow to seize control over the spill response from BP.

And all of us bear responsibility too for depending on and demanding cheap oil underwritten by risky drilling while showing again and again at the ballot box that we wouldn't support a government that really regulated the industry. "This failure of government is government acting the way American people have said they want it to act," says Sarah Elkind, a political historian at San Diego State University. "We get what we deserve." The question is whether we have the strength and smarts to recognize how Americans got to this oil-soaked moment and to force the changes needed to make sure it never happens again.

II.

THE INDICTMENT: BP + D.C. = DISASTER

AFTER STUDYING MORE THAN 600 DISASTERS over more than 50 years, professor Robert G. Bea has developed a unified-field theory of catastrophe: $A + B = C$. A is what Bea calls natural hazards, the unavoidable physical factors like the unforgiving vacuum and great distances that come with working in outer space. B is the human factors: the sins of greed, arrogance, laziness and indifference that corporations, governments and people exhibit far too often. Take a hazardous natural environment and flawed human beings and they'll add up to C: catastrophe. "We're the ones who turn a hazard into a disaster," says Bea, co-founder of the Center for Catastrophic Risk Management at the University of California, Berkeley, and a co-head of the Deepwater Horizon Study Group, an independent investigative team. "Katrina followed that track, and Deepwater Horizon is following it too."

It's no secret that drilling for oil a mile below the surface of the ocean is a dangerous business, but industry insiders say it's not that surprising that the oil spill happened to BP. The company, which produces more oil in the Gulf of Mexico than any other, has had a string of toxic safety problems in recent years. In 2005, a massive explosion rocked BP's Texas City refinery, after a blowdown drum overfilled with liquid hydrocarbons. The resulting inferno killed 15 people and wounded more than 170. It was the worst industrial accident

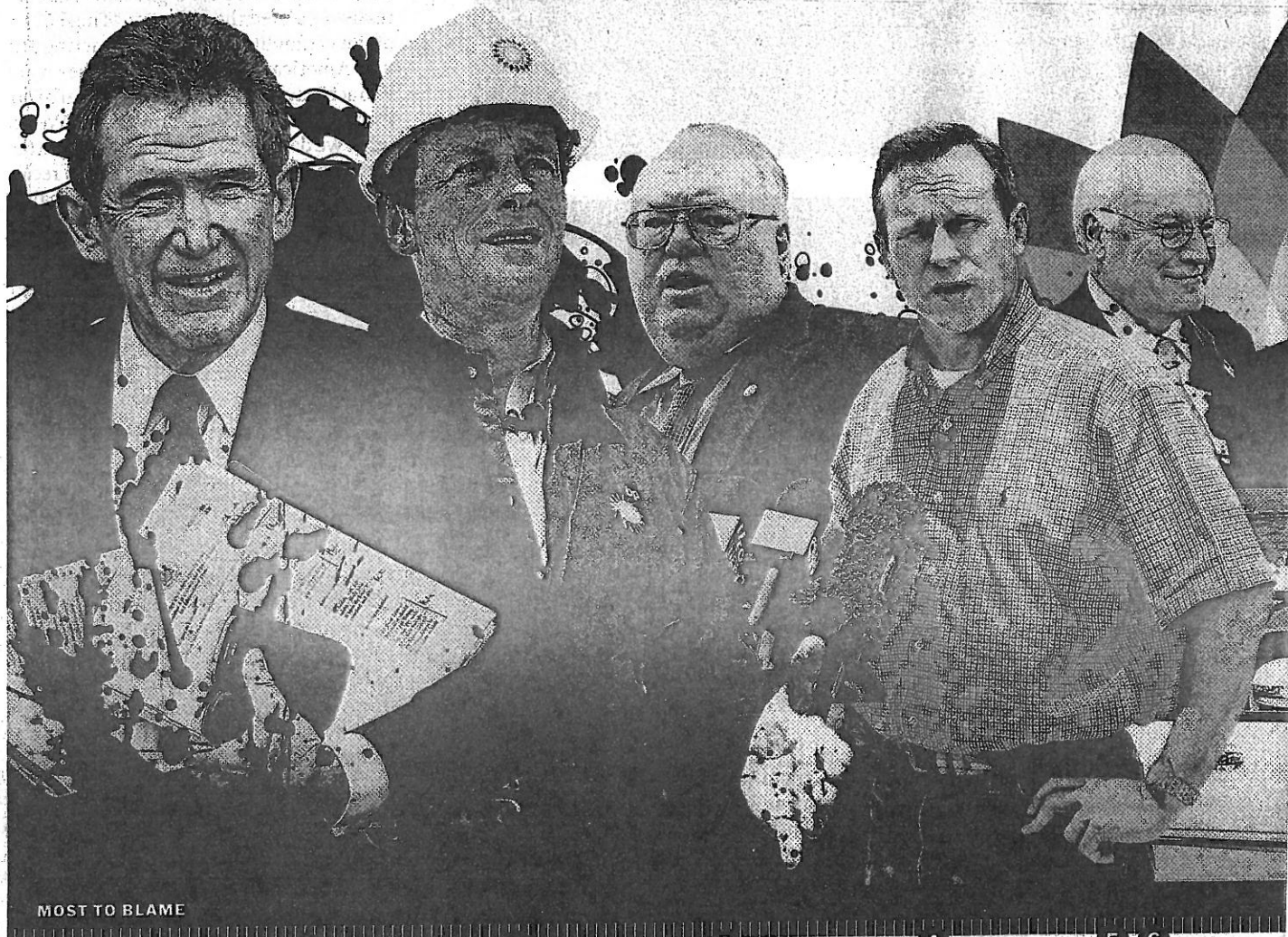
in the U.S. since 1990, and in its aftermath BP was skewered by investigators for its generally sloppy practices, including its use of old equipment, overworked and unsupervised employees and contractors and management's inattention to safety. The U.S. Chemical Safety Board noted in a report that the incident was caused by "organizational and safety deficiencies at all levels." A BP executive later admitted that the fire was "a process failure, a cultural failure and a management failure."

Nor was Texas City an isolated inci-

dent. Months after the fire, Hurricane Dennis battered the Gulf, nearly destroying BP's 59,500-ton offshore platform Thunder Horse and exposing the structure's shoddy ballast system. The next year, a corroded pipeline in BP's Prudhoe Bay field in Alaska leaked thousands of barrels of crude in the worst on-land oil spill in the state's history. CEO John Browne resigned in 2007 after that series of accidents and some embarrassing personal scandals; Tony Hayward, who succeeded him, promised to focus "like a

laser" on safety. But the hits kept coming. Last October, the Occupational Safety and Health Administration fined BP a record \$87.4 million for more than 700 violations at the Texas City refinery, despite its promises to fix the problems there. BP is a "serial environmental criminal," says Scott West, formerly of the Environmental Protection Agency (EPA), who investigated the company's work in Alaska.

For its part, BP has insisted that it has made significant progress toward meeting goals set in 2007 in response to the



MOST TO BLAME

The Dirty Dozen. There's no shortage of folks to blame for the spill

1 JOHN BROWNE
The former CEO presided over a period of dynamic expansion at BP, but his cost-cutting may have contributed to the company's checkered safety record. He stepped down in 2007 amid inquiries into his personal life.

2 TONY HAYWARD
BP's current group CEO is in charge of the company most responsible for the spill, and his succession of gaffes hasn't built confidence. Despite a flurry of calls for his firing, Hayward has the public support of BP's board.

3 CHRIS OYNES
A top Interior Department official who, until he retired May 31, oversaw offshore oil and gas drilling for the Minerals Management Service (MMS) and before that supervised Gulf of Mexico oil and gas leases for 12 years.

4 DOUG SUTTLES
The British energy giant's chief operating officer for exploration and production. He's been at the center of BP's efforts to contain the spill, a seemingly haphazard process that included the failed top-kill and junk-shot methods.

**5 DICK CHENEY AND
6 GEORGE W. BUSH**
Presided over an Administration that was swayed by oil and gas interests—both have personal connections to the petroleum industry—even as offshore drilling moved into ever deeper waters.

ILLUSTRATION BY SEAN MCCABE FOR TIME; BROWNE: PETER MACDIARMID—GETTY IMAGES; HAYWARD: SEAN GARDNER—AP; OYNES: JAVIER SANCHEZ—BLOOMBERG/GETTY IMAGES; SUTTLES: OLIVIER DOULIERY—ABACA; CHENEY AND BUSH: BROOKS KRAFT—COI

Texas City fire, including a six-point plan to update its safety systems worldwide. "Safe, reliable operations have been and continue to be our number one priority," writes BP spokesman David Nicholas in an e-mail. And the company has its defenders in the industry who say that BP knows how to operate offshore safely. "BP is one of the most experienced deepwater operators out there," says Richard Sears, the former head of exploration for Shell UK and a visiting scientist at the Massachusetts Institute of Technology.

'In a spill this large ... fed by fresh oil, there are no easy answers and no good answers.'

—RICHARD CHARTER,
DEFENDERS OF WILDLIFE

Still, other experts argue that BP, which underwent round after round of cost cutting during the later years of Browne's reign, lacks the relentless focus on safety that some of its competitors have. Witnesses in the Deepwater Horizon investigation have testified about an atmosphere of confusion and corner-cutting on the rig, where it wasn't always clear who was in charge among the many contractors and subcontractors. "They don't have what Exxon has, which is unbelievable control over its subcontractors," says Tom



NOT AS MUCH

THE AMERICAN DRIVER

There are about 200 million of us driving about 250 million passenger vehicles, including some 110 million oil-hungry trucks. About a quarter of the oil produced in the U.S. comes from deepwater Gulf wells.

BARACK OBAMA

His Administration has now begun strengthening federal oversight of offshore drilling, but the President also proposed opening vast new tracts for such production shortly before Deepwater Horizon exploded.

KEN SALAZAR

The Colorado Senator turned Interior Secretary tangled with the oil industry, but he didn't break up his agency's MMS until a month after the spill—or shut down its decades-long coziness with industry.

S. ELIZABETH BIRNBAUM

She ran MMS for the past 10 months—in what associates say was a timid manner—until she was ousted on May 27 and became Washington's unofficial scapegoat for years of MMS mismanagement.

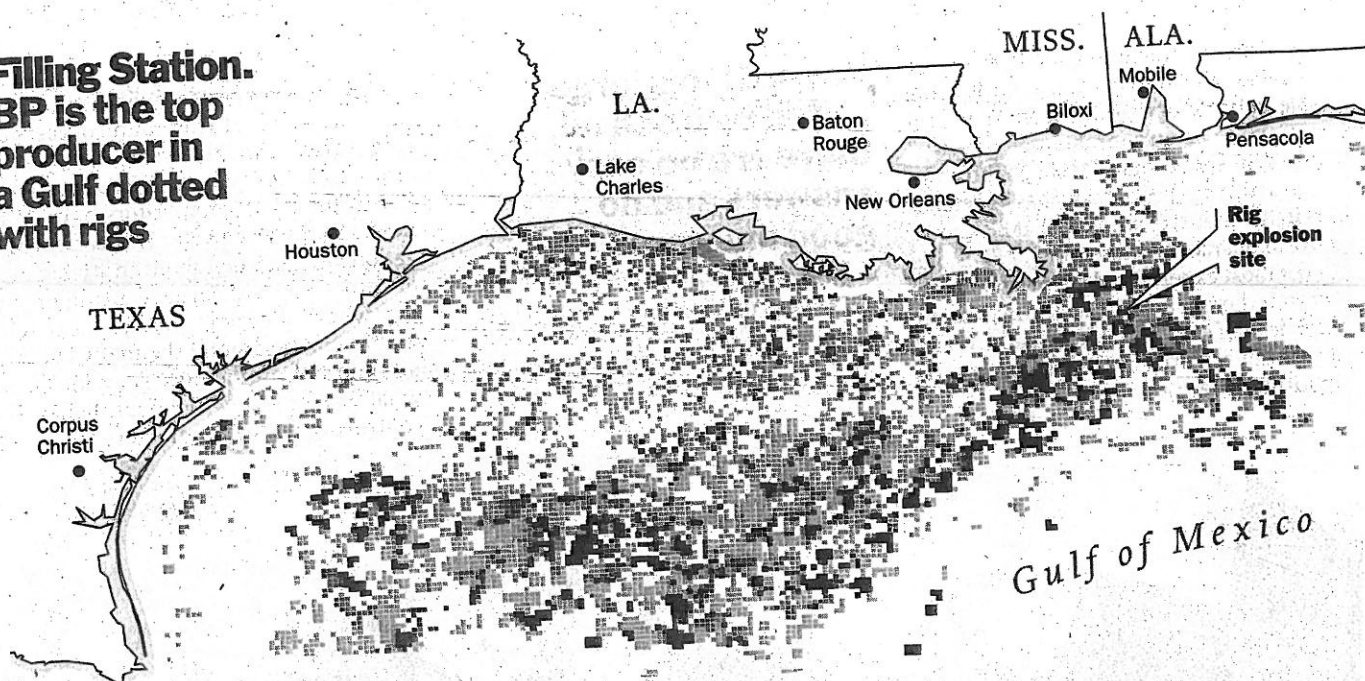
STEVE NEWMAN

The CEO of Transocean, the Swiss company that owned the Deepwater Horizon rig. During a farcical Senate hearing, Newman tried to pin blame for the catastrophic explosion on the well's cement or casing.

TIM PROBERT

The president of global business at Halliburton, the contractor responsible for cementing the well. He denies blame, saying his company performed its duties on the rig in accordance with BP's wishes.

Filling Station. BP is the top producer in a Gulf dotted with rigs



Bower, a British journalist who charted the rise of BP in his book *Oil*, published this year. As Hayward put it himself in a recent interview with the *Financial Times*, BP lacked the "tools you would want in your tool kit" to close a blown well a mile below the ocean's surface, which means the disaster is a failure of foresight and necessary planning as well.

But the blowout preventer that failed to stop the spill wasn't the only backup system that fell through in the Gulf. Washington has a responsibility to oversee offshore-drilling operations, yet regulation over the industry has largely been toothless. Regulatory capture—the tendency of too many government overseers to get too friendly with the industry they're supposed to be monitoring—has been especially acute in MMS. The agency is responsible both for the safety of energy exploration and for leasing federal territory for drilling, which brings in billions to the government. That inherent conflict—selling to the industry even while supposedly overseeing it—undermines MMS, which has been exposed as both ineffective and corrupt. A 2008 report by the Interior Department's inspector general found that MMS employees had used drugs, accepted gifts from and had sexual relationships with energy-company representatives. Another report, issued last month, found similar practices were still occurring, with at least one MMS worker negotiating for a job with an energy company while simultaneously inspecting its Gulf platforms. "The oil industry's cozy and sometimes corrupt relationship with government

regulators meant little or no regulation at all," Obama said on May 27.

That too cozy relationship helped lead to Deepwater Horizon. Though BP's drilling plan for the well mentioned that a worst-case blowout could result in 250,000 barrels of oil a day pouring into the Gulf, MMS let the company drill anyway, despite a flawed and dated response plan for such a disaster. Nor did MMS require BP to keep response equipment like containment domes close at hand. As a result, the company's response to the spill has largely been improvised, and many days have been wasted moving hardware into place. MMS suggests but does not mandate backup systems to the blowout preventers, resulting in "regulation by suggestion," as one Senator put it. As deepwater-drilling technology has advanced, safety measures haven't kept up, either in industry or in government. "The pace of technology has definitely outrun the regulations," Lieut. Commander Michael Odom, a Coast Guard rig inspector, told an investigating panel last month.

In the wake of the oil spill, the Obama Administration is scrambling to reform oversight, with Interior Secretary Ken Salazar dividing MMS into three parts—including individual sections that would separately cover royalties and safety—to reduce internal conflict. The White House has also put in place a six-month moratorium on new deepwater-drilling projects while a presidential commission investigates the accident. But those welcome moves can't undo the debacle of Deepwater Horizon. "This was fundamentally a failure of government to govern," says Kieran

Suckling, the executive director of the Center for Biological Diversity, an environmental watchdog. "They were supposed to anticipate these problems, and they failed."

III. THE CLEANUP: SUMMER CAMPAIGN

PERHAPS NOTHING HAS FED BP'S IMAGE OF fecklessness more than the fact that long after its success at getting the containment cap in place, images of the billowing wellhead still fill TV screens—a partial result of the failure to have enough storage capacity in place before the containment procedure began. "In the long term the threat from this well will not go away until a relief well has been drilled, pressure has been taken off and the well has been plugged," said Admiral Allen on June 5. The fix is not a fix.

Government estimates had put the total spill rate at 12,000 to 19,000 bbl per day, but many experts have revised that to 25,000 bbl or higher, and once the riser pipe was cut to accommodate the containment cap, the gusher grew worse. That puts an even greater burden on Coast Guard and Gulf Coast residents as they attack the emerging oil on the face and seek to protect and ultimately restore the fragile coastline. And then a unique spill. The Gulf Coast is under attack, but the enemy isn't coming in a single massive wave. Instead, the constant flow of oil from the well, chemical dispersants and unpredictable ocean currents and winds have broken up the spill so it can hit from many different angles.

FLA.

ACTIVE LEASES

- BP
- Shell
- Chevron
- Others

Tampa

Major Players

There are 23 oil companies drilling in the Gulf. Last year they extracted 584 million bbl. of oil. BP took the largest share



BP



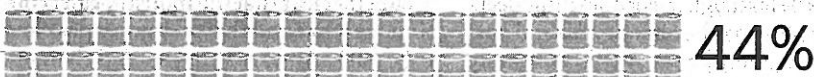
SHELL



CHEVRON



OTHERS



Sources: Rigzone/GOMExplor.com; U.S. Department of Energy; U.S. Securities and Exchange Commission. Research by Dan Fastenberg

at once. "This is not a large, monolithic spill anymore," Allen told Fox News on June 6. "It is an aggregation of thousands of smaller spills that could come ashore at any particular time." We're fighting a guerrilla war against insurgent crude.

Unfortunately, states and communities are defending their beaches with the oil-spill equivalent of the Maginot Line. Stringing the shoreline with protective plastic boom, followed usually by a line of absorbent boom that can soak up the oil that gets by, remains our main defense perimeter against a spill, and it hasn't changed in decades. The challenge is to track the oil as it moves, caught in the curlicue Gulf currents, and have ships on hand that can quickly move boom to where it's needed. That's why the response needs not only numbers—and more than 3,500 boats are now enrolled in the oil defense—but also coordination to get equipment to the right spot at the right time. As the spill gradually spreads from oil-soaked Louisiana to the beaches of Alabama, Mississippi and now Florida, coordination between big BP and small-boat owners, between federal officials and coastal mayors, is only going to get tougher. "In a spill this large, constantly fed by fresh oil, there are no easy answers, and there are no good answers," says oil-spill expert Richard Charter, senior policy adviser for marine programs at Defenders of Wildlife. "There are only ranges of risk."

That's true even for something as seemingly straightforward as rescuing oiled animals. Through June 8, the U.S. Fish and Wildlife Service had reported nearly 500 slicked birds and 36 slicked

turtles, among other animals affected by the spill, although it's almost certain that far more have died and will never be found. Birds in particular have proved vulnerable. Horrifying photos of brown pelicans slathered in oil on Louisiana's Grand Terre Island have already become the symbol of the spill, and significant amounts of time and energy have been spent trying to rescue and clean the animals. But the sad truth is that even rescued birds often fail to survive an oiling—especially if they're simply returned to a habitat that is still badly contaminated, as much of the Gulf Coast may be for years. "You can't just wash these birds and turn them loose," says Doug Inkley, the senior scientist at the National Wildlife Federation. "The No. 1 thing we can do is protect and restore their habitat."

The best way to do that might be to focus protective efforts on those areas that are most ecologically important and most sensitive, like the coastal wetlands of Louisiana. While sandy beaches hit by oil can eventually be cleaned—albeit with great effort—oil that soaks into the roots of a marsh can remain there for

years. And the noble intentions of those trying to clean up a wetland can sometimes do more harm than good: think of scores of volunteers trampling sensitive marshes. That means wetlands need to be a priority for protection, preventing the damage before it's done. It also means that authorities should consider taking more extreme measures to keep the valuable sediment at the bottom of the marshes clean, potentially including in situ burning of oiled wetland grass. It looks like destroying the wetland to save it, but burning will clean off the oil, and marsh grass should grow back relatively fast. "It might seem traumatic, but it really isn't," says Nancy Kinner, co-director of the Coastal Response Research Center at the University of New Hampshire. "It's one of the last-ditch measures, but it is a tool in the toolbox."

Protecting the land and making it whole is a massive job but perhaps no bigger than doing the same for the people who have watched their livelihoods be destroyed by the oil. BP has already paid out more than \$80 million in claims to residents who have suffered from the spill, but on June 8 Allen was concerned enough about the company's behavior that he intensified oversight of BP. The reality, though, is that much of the damage is done, and the millions in claims BP is paying out—not to mention the billions that will no doubt be sought in future lawsuits—can't replace a coastal lifestyle that has been all but destroyed. "We will get this done. We will make this right," promise BP's ads in a new \$50 million campaign. Gulf residents may rightly ask, "How?"

'Life was pre-Katrina and post-Katrina. Now it will be pre-spill and post-spill.'

—MARYLEE ORR, LOUISIANA ENVIRONMENTAL ACTION NETWORK

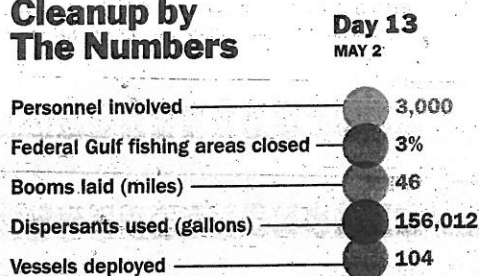
"Life was pre-Katrina and post-Katrina, and now it will be pre-spill and post-spill," says Marylee Orr, founder of the Louisiana Environmental Action Network. "All this time I never dreamed that there was so little protection for the Gulf."

IV.

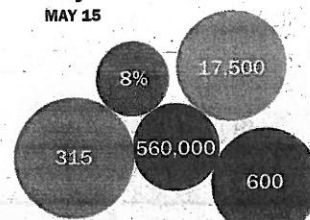
WASHINGTON'S CHALLENGE: THE OTHER MESS

AS DIFFICULT AS CLEANING THE OIL OVER the next several months will be, mopping up the bureaucratic slop that led to the Gulf spill will be far tougher. For one thing, deep-water drilling has become an integral part of the U.S. energy mix. Wells dug more than 1,000 ft. below the Gulf's surface now supply a quarter of U.S. oil production, a proportion that will likely rise. Ironically, in Louisiana, ground zero for the spill, support still runs high for offshore drilling, a major employer in the state. Both of Louisiana's Senators have called on the President to lift the moratorium on new deepwater drilling as soon as possible, and even some of the widows of rig workers want the industry to continue. "I fully support offshore drilling, and I always will," Natalie Roshto, whose husband was killed in the Deepwater Horizon explosion, said at a congress-

Cleanup by The Numbers



Day 26
MAY 15



sional hearing in Louisiana on June 7.

But it's clear that the industry can't continue as it has and that oil companies need to be pushed into making needed changes. Breaking up MMS was a good start, though the success of the strategy will depend on whom Obama can find to run whatever is left of the agency. His first pick, S. Elizabeth Birnbaum, was an outsider and an environmentalist, but she proved unable to change the entrenched, industry-friendly culture at MMS before she was pushed out last month. The mission will require finding officials close enough to the oil industry to act as knowledgeable regulators without being co-opted altogether. That's a balance every good regulator needs to strike, but it's particularly tough in the

tight social circle that makes up much of the energy business. As one MMS official put it in a recent inspector-general report, "We're all oil industry. We're all from the same part of the country."

Given the enormous amount of influence the oil and gas industry has—it spent \$174.8 million on lobbying last year, according to the Center for Responsive Politics—Obama, if he really wants to break that circle, will need to make it a major priority and institutionalize oversight so that it will outlast his Administration. More than that, he'll need to make the case to Americans that smart and aggressive regulation of drilling isn't an obstacle to maintaining a successful energy industry but a prerequisite. That

Washington Memo

Big Oil's Twilight? Not Yet

BY MICHAEL CROWLEY

EVEN AS THE WELL GUSHES ON, environmentalists see opportunity amid the BP oil nightmare. With the public riveted—a Pew poll found that 55% of Americans are closely following the saga—ecologists want to seize the moment. "This will begin a national conversation," says Frances Beinecke, president of the Natural Resources Defense Council, who says green groups are already coordinating political efforts around the spill.

Or will it? Two of the biggest man-made environmental disasters in recent years offer differing examples but suggest limited prospects for big change. At one extreme is the 1979 near meltdown at the Three Mile Island nuclear-power plant south of Harrisburg, Pa. Although no one was killed and studies later found limited long-term effects from radiation, the incident was viscerally terrifying: the governor ordered the evacuation of pregnant women and preschool children within five miles of the reactor. Fierce

demonstrations against nuclear power sprang up around the country. The result was a near deathblow to the industry, which was frozen in place for decades. Not a single new U.S. nuclear-power plant has been constructed since the crisis.

Another kind of calamity came a decade later with the 1989 *Exxon Valdez* tanker spill, which left Alaska's pristine Prince William Sound coated in an estimated 10.8 million gal. of crude. As gut-wrenching images of oil-bound birds filled the news, environmentalists pressed for tough new regulation of the oil industry. Congress responded with the 1990 Oil Pollution Act, which assigned liability for cleanup costs to companies responsible for major spills and also required thicker oil-tanker hulls.

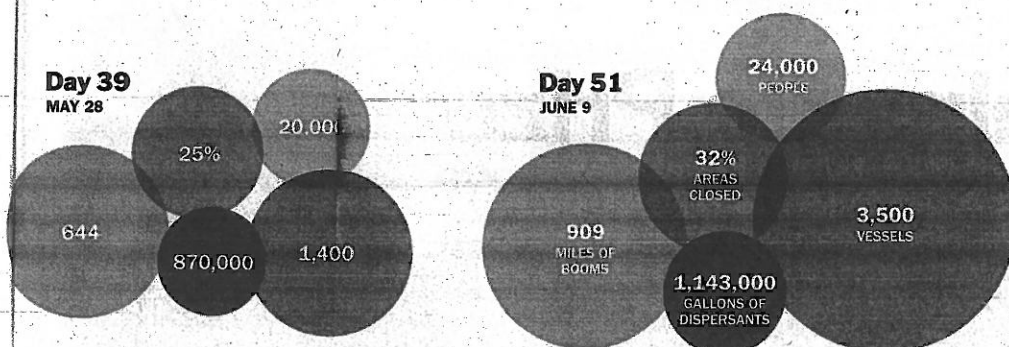
Paradoxically, the worse of the two disasters had the lesser impact on public policy. Three Mile Island was terrifying but relatively harmless. The *Valdez* spill imposed a terrible and lasting toll on Alaska; a 2006 study found that the

disaster is still harming local wildlife. And the *Valdez* led to, well, not very much at all—certainly not the wholesale reconsideration of our oil dependence many enviros had imagined. "We had really hoped it would catalyze a dramatic change in environmental policy," says Rick Steiner, an Alaska-based conservation specialist who advises Greenpeace. "But it didn't."

Could the BP fiasco in the Gulf have a greater impact? It should: the spill is already several times larger than the *Exxon Valdez* leak. And while the Deepwater Horizon rig exploded in a far greater body of water, it's also much closer to densely populated areas. That's why this spill is sure to prompt new safety, oversight and liability regulations for offshore oil drilling—and has already undercut Obama's proposal for expanding that industry.

That's a start. But stopping there would disappoint those seeking a larger debate about our energy policies. "Environmentalists want to use this as the lever to push away from fossil fuels," says Drexel University environmental historian Robert Brulle. Al Gore has made the connection, and on June 2, Obama did too, with a renewed call for congressional action on climate-change legislation.

Some wishful thinking might be at



would buck the general trend of deregulation that goes back years, well before George W. Bush and Dick Cheney began turning a portion of the Interior Department into an annex of the American Petroleum Institute.

Part of the challenge will be not just political but technical. Frontier-pushing oil companies have rapidly expanded their ability to drill deep wells, racing far ahead of the government's ability to keep track of what they're doing. The same thing happened in the financial sector, as increasingly exotic financial instruments flummoxed even the experts who were supposed to determine their soundness. "The fact is that technology on drilling has outpaced our ability to deal with the prob-

lems that can come with that technology," says Tyson Slocum, director of watchdog Public Citizen's energy program.

Of course, no offshore-drilling program will ever be spillproof, but there are smart and noncontroversial steps that can be taken now to prepare for the next accident. We need to invest in developing cutting-edge cleanup technologies—like microbes that can eat oil—so that we have more options than shoreline boom and in situ burns. Oil companies should be required to keep more well-killing equipment on hand, so we don't have to wait for them to build a containment dome from scratch, as BP did. And the government must have its own remotely operated undersea vehicles so that it can independently gather infor-

mation on the next blown well rather than being forced to rely on the industry. Otherwise, as film director James Cameron put it recently, the government is effectively "asking the perpetrator to give you the video of the crime scene."

And then there's the rest of us. Of course, it's our appetite for gas—cheap gas—that provides the hundreds of millions of dollars oil companies keep spending to drill offshore and the billions they make in profit. We buy gas-guzzling cars, resist the use of public transportation and howl at the idea of carbon taxes or other measures that would bankroll research into alternative energy sources and make them competitive once they reach the market. We accept the business argument that regulation is an evil that isn't necessary, rather than a necessary evil, and then we're surprised when a rig blows and disaster ensues. Well, what did we expect? "The American public expects safety to happen by magic and without pain," says Berkeley's Robert Bea. "There's plenty of blame to go around." We've been warned—now we have to learn. —WITH REPORTING BY STEVEN GRAY/GRAND ISLE, LA., WILLIAM LEE ADAMS AND TARA KELLY/LONDON AND ALEX ALTMAN AND MARK THOMPSON/WASHINGTON ■



Toxic legacy Crude from the Exxon Valdez spill coated the shores of Alaska's Prince William Sound in 1989. Remains of it lurk there today

work here, however. Congress is wary about passing major legislation to limit carbon emissions, especially in a prolonged recession, and the BP debacle may not be a tipping point. Even the terror of Three Mile Island didn't end our use of nuclear power, and a similar fear factor doesn't exist now. (*Oil slick* doesn't turn the stomach quite like *China syndrome*.) Big Oil still commands enormous power over our economy in a way that nuclear power never has—especially along the Gulf Coast. (The New Orleans *Times-Picayune* said a suspension of offshore drilling was "like sealing the region's economic death.") "We need the oil," explains Pavel Molchanov, a Houston-based energy analyst, "and the Gulf needs the jobs."

And that may be the crude—pun intended—bottom line: The economy still trumps the environment for many Americans. As he looks to link the BP spill with larger energy-policy changes, Obama's challenge is to convince Americans that their pocketbooks will be safe. There's a reason Washington has spent decades paying only lip service to breaking our oil addiction. Sadly, even the worst environmental disaster in modern American memory may not be enough to change that. ■