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Western Senators Propose Ban on Pacific Drilling

By JOHN M. BRODER

WASHINGTON — The political ripples from the Gulf of Mexico oil disaster spread in the capital on Thursday as six West Coast senators proposed a permanent ban on drilling in the Pacific and another group tried to raise oil company liability in a spill to $10 billion from the current $75 million.

The move by senators from California, Oregon and Washington, all Democrats, was largely symbolic because there are no plans at present to open the West Coast to drilling. Gov. Arnold Schwarzenegger of California, a Republican, withdrew a modest plan for new offshore drilling shortly after the gulf accident.

The liability measure was pushed by Senators Frank R. Lautenberg and Robert Menendez, Democrats of New Jersey, and Bill Nelson, Democrat of Florida, who said the current limit represents a small fraction of the likely damage from the BP spill in the gulf.

Senator Lisa Murkowski, Republican of Alaska, a strong proponent of offshore drilling, blocked their bill, saying it would discourage all oil exploration. Ms. Murkowski is sponsoring a separate bill to raise oil taxes by a penny a barrel to increase the federal spill response fund.

The Democrats said they would try again to enact the change in liability law. The Obama administration has said it would like to see the liability limit increased, but has not said by how much.

The three companies involved in the current spill — BP, the lease owner; Transocean, which owned the drilling rig; and Halliburton, which performed the critical final sealing operation — have traded accusations of responsibility in a prelude to a likely legal battle over costs.

Transocean moved on Thursday to contain its financial exposure from the rig explosion and collapse, which killed 11 workers and has already cost hundreds of millions of dollars in damages and cleanup expenses.

Transocean, based in Switzerland, filed a petition in federal court in Houston to limit its liability to $26.7 million under an 1851 liability law that was devised to protect American ship owners facing competition from foreign-flagged vessels.

In a statement, the company said it “believes this step is necessary to protect the interests of its employees, its shareholders and the company.” Transocean also said it wanted to consolidate all the lawsuits it is facing in one court, and establish a single fund from which “legitimate claims may be paid.”

Also on Thursday, Ken Salazar, the Interior secretary, took a step toward a planned reorganization of the troubled Minerals Management Service, the agency responsible for regulating the safety and environmental practices of offshore oil drillers, as well as promoting oil exploration and collecting royalties from it.

Mr. Salazar, who announced earlier in the week that he intended to separate the agency’s two functions, named two senior department officials to begin planning for the breakup of the minerals agency and creation of its successors. He said the goal of the reorganization was to strengthen safety and environmental enforcement and to end the sometimes-too-close relationship between government officials and regulated companies.

“We have a responsibility to ensure that the operation and oversight of offshore operations are following the law, protecting the workers and guarding against future incidents and spills,” Mr. Salazar said in a letter to Congressional leaders seeking their opinions on the proposed overhaul.

BP, which has assumed responsibility for the bulk of claims arising from the spill, announced that the cost of responding to the disaster so far had amounted to an estimated $450 million, about $100 million more than the estimate earlier in the week.

The company said in a filing to the federal Securities and Exchange Commission that the tab included money it had given to Gulf Coast states and the federal government for their responses. The costs also include efforts to contain the spilling crude oil, continuing work to drill a relief well and settlements. So far 6,700 claims have been filed, of which about 1,000 have already been paid, according to the company statement.

In the gulf, efforts continued to stop the oil flowing from the damaged well, as BP said it was moving forward with several strategies to try to contain the spill, including inserting a tube into the broken drilling pipe to draw the oil out.

A two-ton containment device called a top hat has been lowered to the seafloor and could be installed over the leaking well and will be deployed “within the next few days,” the company said.

Officials said they might augment this effort, the second attempt to put an improvised cover over the well, by using a new technique that would involve inserting a slim tube into the well’s broken riser pipe, at the point where it is gushing oil. The tube would then siphon the crude to a tanker at the surface. That technique could be ready to try on Friday.

The six-inch-diameter pipe, which has already been lowered to the seafloor, was originally going to be attached to the small containment dome designed to sit over the leak. But Bill Salvin, a BP spokesman, said officials were still concerned about hydrates, crystal structures that form when gas and water mix at high pressures. The rapid accumulation of hydrates is what prevented the much larger containment dome from working last weekend.

Robotic vehicles will work overnight to insert the pipe into the riser. If that does not work, officials will try the top hat. BP is also continuing to work on other options.

Clifford Krauss contributed from Houston and Campbell Robertson from New Orleans.