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BP's Ties to Agency Are Long and Complex

By **HELENE COOPER** and **JOHN M. BRODER**

WASHINGTON — Three years ago, the national laboratory then headed by **Steven Chu** received the bulk of a \$500 million grant from the British oil giant **BP** to develop alternative energy sources through a new **Energy Biosciences Institute**.

Dr. Chu received the grant from BP's chief scientist at the time, **Steven E. Koonin**, a fellow theoretical physicist whom Dr. Chu jocularly described as "my twin brother." Dr. Koonin had selected the **Lawrence Berkeley National Laboratory** at the **University of California, Berkeley**, over other universities in the United States and Britain in part because of Dr. Chu's pioneering work in alternative fuels.

Today, Dr. Chu is **President Obama's** energy secretary, and he spent Tuesday in Houston working with BP officials to try to find a way to stop the unabated flow of oil from a ruptured well a mile beneath the Gulf of Mexico.

Dr. Koonin, who followed Dr. Chu to the Energy Department and now serves as under secretary of energy for science, is recused from all matters relating to the disaster because of his past ties to BP, said **Stephanie Mueller**, an Energy Department spokeswoman.

Dr. Chu, she said, "has never had a financial interest in BP."

Ms. Mueller added, "No one in their right mind would suggest that Dr. Chu is beholden to oil companies, especially since he's spent the past decade working to cut America's dependence on oil and move us toward a clean-energy economy."

The relationships among Dr. Chu, Dr. Koonin and BP illustrate the complexity of the ties between the company and the government now playing out along the Gulf Coast as they struggle to cope with one of the nation's worst environmental disasters. Just as the Pentagon and military contractors develop symbiotic business, technical and political interdependencies, the government in this case needs BP's [offshore drilling](#) technology and well-control equipment; the company needs the government's logistical and scientific expertise, including that of Dr. Chu, a [Nobel Prize](#)-winning scientist.

Some critics say the Obama administration has relied too heavily on BP's assessment of the blowout and its solutions for addressing it. But government officials say that BP is legally responsible for plugging the well and cleaning up the oil. And they acknowledge that government lacks the know-how to deal with the problem on its own.

While there is no evidence that Dr. Chu or Dr. Koonin have represented BP's viewpoints in internal deliberations or sought to influence administration policy in a way that would benefit BP, the mere fact of their shared history brought expressions of concern from environmentalists and other critics of the White House's response to the spill.

"The fact that Steven Chu selected Steve Koonin, BP's chief scientist, to be his under secretary could predispose them to think that they could maybe negotiate with BP, could be more like partners regarding the oil cleanup," said Jennifer Washburn, the author of a coming report by the [Center for American Progress](#) called "Big Oil Goes to College," which examines the BP-Berkeley venture. "It makes it more likely for them to see BP as a legitimate partner in handling the cleanup operation.

"Unfortunately," Ms. Washburn added, "what people are questioning, with good reason, is whether the government has been too soft on BP."

Added John M. Simpson of [Consumer Watchdog](#): "From what I've seen, the Energy Department's response has been less than rapid to this [oil spill](#). This whole thing just underscores that corporate interests have created, over time, these relationships that give them unfair access to policy makers."

Ms. Mueller, the Energy Department spokeswoman, said that the accusation that the agency reacted slowly to the spill was unfair, and that 150 people at national laboratories had been

working on it.

Public anger is mounting at both BP, which says it will try again on Wednesday to plug the spill using a method called **top kill**, and at Mr. Obama, who announced a **major expansion of offshore oil drilling** in March before first tending to what Mr. Obama himself described two weeks ago as an often cozy relationship between government regulators and oil companies.

On Monday, BP announced another \$500 million grant, this one to study the impact of the spill on the marine and coastal environment, with the first award to go to Louisiana State University. An independent panel will decide which institutions will receive the rest of the money, the company said in a **news release**.

A White House official said Tuesday that the Energy Department “doesn’t have jurisdiction over the oil spill.” Dr. Chu — who, according to an Energy Department news release was in Houston on Tuesday “to continue engagement on strategies to stop the oil spill” — is “just volunteering because he’s one of the most brilliant scientists around,” the official said. Dr. Chu canceled a trip to China in order to deal with the crisis, the Energy Department said.

On May 12, Mr. Obama sent Dr. Chu to BP’s command center in Houston to meet with top engineers and scientists. After meeting with BP, Dr. Chu told reporters that he believed that “things are looking up,” and that he felt “more comfortable than I was a week ago” with progress toward containment. Along with Interior Secretary **Ken Salazar**, whose department has jurisdiction over the spill, Dr. Chu appeared beside Mr. Obama in the Rose Garden the next day as Mr. Obama angrily assailed the three companies involved in the oil spill.

No one has accused Dr. Chu or Dr. Koonin of direct conflict of interest or questioned their scientific credentials. Before taking over the Lawrence Berkeley laboratory, which is supported by the Department of Energy, in 2004, Dr. Chu had been chairman of the physics department at **Stanford University** and won the 1997 Nobel Prize in Physics for his work with laser-cooled atoms.

Dr. Koonin was a physics professor at the **California Institute of Technology** for nearly three decades and served from 1995 to 2004 as Caltech’s provost. He was hired by BP in 2004 as its chief scientist, responsible for long-range planning for the company’s energy portfolio, as the company likes to say, beyond petroleum. In his financial disclosure form submitted for his

government post, he said that he had tens of thousands of unvested BP shares and options and that he was working out a fair value for them with the company.

The BP-Berkeley project led to protests on the Berkeley campus when it was unveiled in 2007, as student groups and some professors expressed fears that the alliance could harm the university's reputation for academic integrity. Dr. Chu's "name recognition and his backing" of the project helped to ease some of those fears, said Ms. Washburn, an expert in university-industry relations and a fellow at [New York University](#).