



The oil industry, not the federal agency that regulates it, plays a crucial role in writing the safety and environmental rules for offshore drilling, a role that critics say reflects cozy ties between an industry and its regulators that need to be snapped.

Nearly 100 industry standards set by the American Petroleum Industry are included in the nation's offshore operating regulations. The API asserts that its standards are better for the industry's bottom line and make it easier to operate offshore than if the Minerals Management Service set the rules.

Following the massive oil spill in the Gulf of Mexico, the MMS is increasingly under a microscope. Congressional hearings beginning Tuesday will examine the cause of the April 20 drilling rig explosion and whether the MMS's regulatory framework ought to be changed.

The agency has a built-in conflict. It's responsible for regulating offshore drilling, but also for leasing tracts on the outer continental shelf and collecting royalties on the oil and gas they produce. The MMS generates more revenue for the federal Treasury than any other agency except the Internal Revenue Service.

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