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TELEVISION PROGRAM TO "CBS NEWS' FACE THE NATION."



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TRANSCRIPT

BOB SCHIEFFER: Today on FACE THE NATION, the wind is pushing the oil to the Panhandle of Florida now. How much worse can it get?

And while the oil keeps on gushing, Tony Hayward, the CEO of BP, took a break and went yachting in cleaner waters off the coast of England. Is it time for him to go? Is the twenty billion dollars BP has put in escrow enough to meet the damage claims? Just two of many questions for Alabama Senator Richard Shelby, who toured the region yesterday; Florida Senator Bill Nelson; Congressman Joseph Cao of Louisiana and Senator Barbara Boxer, chair of the Senate Environment Committee. I'll have a final word today on the high price of gas.

But first, Day 62 of the Disaster in the Gulf.

ANNOUNCER: FACE THE NATION with CBS News chief Washington correspondent Bob Schieffer. And now from CBS News in Washington, Bob Schieffer.

BOB SCHIEFFER: And, good morning, again. Senator Shelby is joining us today from Mobile. Senator Boxer is in San Francisco. Congressman Cao in New Orleans and Senator Nelson is with us here in the studio. Welcome to you all.

Well, Senator Shelby, you were all over the Gulf Coast region yesterday. Did you run into any yacht racing down there?

SENATOR RICHARD SHELBY (R-Alabama): Oh, I-- I didn't but I ran into a lot of people, a lot of small and medium-sized businesses--fishermen, you know, people that rent things on the beach, condominiums, small business people that don't have yachts but are concerned about their livelihood and rightly so. I thought, Bob, that the fact that the chairman of BP had the gall, the arrogance, to go to a yacht race in one of his-- in England, while all of this was going on here. I thought that was the height-- height of stupidity. And I believe myself that he should go. I don't know how he can represent a company in-- in crisis like BP and ignore what's going on in the Gulf of Mexico.

BOB SCHIEFFER: Well, Congressman Cao, down there in New Orleans, you kind of got the nation's attention at another congressional hearing the other day when you suggested-- I'm sure you didn't mean this literally, but you suggested that another BP official might ought to commit hari-kari. What are your thoughts this morning when you get up and see pictures of Tony Hayward at that yacht race?

REPRESENTATIVE JOSEPH CAO (R-Louisiana): Again, Bob, I-- I'm very disappointed of how out of touch the executives at PE-- at BP are. Our people are suffering tremendously down here. I just received news from a staffer of mine that a Vietnamese fisherman actually tried to commit suicide. So it's-- it's a situation that is quite desperate for many-- for thousands of people. Hundreds of businesses have closed since the oil spill. And the devastation to our wetlands and coastlines, we just have to wait and see the level of the-- the devastation.

BOB SCHIEFFER: Senator Nelson, you and Senator Boxer have sent a letter to President Obama about some steps that you think ought to be taken. The President has asked Ray Mabus, former governor of-- of Mississippi and now secretary of the Navy, to plan a long-term

recovery program for the Gulf. But you and Senator Boxer are asking him to take it another step. Tell us briefly that what-- what it is you want him to do.

SENATOR BILL NELSON (D-Florida): Well, I'm headed back to the Gulf, this afternoon. Excuse me. And they're-- they're improving in their communication with Incident Command and I'm grateful for that. And the oil is hitting our beaches now. It's in the northwest Florida beaches. But for the long term, you-- you really need a military command and control structure where orders are given and things get immediately implemented. And what is-- we think, Barbara and I, an improvement is to get the Navy where it becomes the coordinator with marine fisheries, with the EPA, with Fish and Wildlife, because we're in this for the long haul. And, of course, Florida has a lot more coastline and a lot more beach than anybody else in the Gulf. And it's not just the Gulf, it's the East Coast. When it gets in that Loop Current, it'll take it around on the East Coast. So we're looking at long, long-term effects. And it's going to be a long, long-term clean-up. And we have to have that command and control where things get done immediately.

BOB SCHIEFFER: And in other words, instead of the Coast Guard trying to coordinate, you would bring in the Navy to be the overall coordinator. Tell me what led you to decide to do this, Senator Boxer?

SENATOR BARBARA BOXER (D-California/Chairman, Environment & Public Works Committee): Well, Senator Nelson and I have been very concerned that we need to get ahead of the oil. And, coming from a coastal states-- and we have a twenty-three-billion-dollar coastal economy, Bob. And it-- you know, the fishermen, recreation tourism, we can't put that at risk on the West Coast, just like my colleagues on the East Coast and in the Gulf are struggling to make sure that those industries stay alive. So we want to see a rapid response team get out there. And as Bill said a command and control. It's just in the area of the beach protection and the clean-up and the near shore areas like those beautiful islands that I saw off the coast in Louisiana and the marshlands. And we think this will be a big improvement. President Obama has suggested it for the long term. We're saying accelerate it and get it going now.

BOB SCHIEFFER: In other words, get the Navy in there now--

SENATOR BARBARA BOXER (overlapping): Yes.

BOB SCHIEFFER: --to-- to coordinate.

SENATOR BARBARA BOXER (overlapping): On the beaches, yes.

BOB SCHIEFFER: Yes, to coordinate.

SENATOR BARBARA BOXER (overlapping): The beach clean up and the near-shore areas like the islands and the marshlands.

BOB SCHIEFFER: How does that strike you, Senator Shelby?

SENATOR RICHARD SHELBY: Well, I-- I like to see the matrix. I'd like to see how this really would work, because maybe we needed something like that sixty days ago, two months ago. But there have been progress made by BP, not enough yet to start-- stop the hemorrhaging. But the clean-up effort, even when we stop the hemorrhaging is going to be huge. And if we can coordinate it with all of our agencies, let's see how it works.

BOB SCHIEFFER: Well, the--

SENATOR RICHARD SHELBY (overlapping): It might be a good idea. I'm not sure.

BOB SCHIEFFER: Well, tell me about what you found out yesterday. Is this thing better or worse than you thought it was since the last time you were down there and-- and what did you find out yesterday?

SENATOR RICHARD SHELBY: I-- I think it's worse for a lot of reasons. A lot of oil has been pouring into the Gulf. It continues to do this as we speak. I saw along the beaches into the shallow water, it looks like the collection of oil down into the sand. And if this is going to go on, it's got to affect marine life and the clean up as-- as Senator Nelson and Bo-- Boxer said it's going to be awesome. It's going to be long term. But the number one thing is to stop it. If we can do this, then we can coordinate a plan to say we're going to clean this up.

BOB SCHIEFFER: And in your state Congressman Cao, what's the main thing that needs to be done now?

REPRESENTATIVE JOSEPH CAO: There are a number of issues that we are concerned with. One, is the-- one is better coordination with respect to the clean up. We've been hollering and yelling for the past six weeks for better coordination. And if it requires bringing in the Navy, if it requires bringing in of-- Air Force or what have you, we just need the necessary infrastructure to be there to send ships out there to clean up the marshes, to build those berms, to do everything that we can to keep the oil out. And the second issue that we are facing and we have approached the administration for a solution is the moratorium that potentially can cost a state up to sixty thousand jobs. I have proposed to the secretary, Secretary Salazar, the possibility of allowing partial drilling, which will achieve both goals of providing the administration with the time to implement reviews, to implement new pro-- procedures and protocol but at the same time allow Louisiana to keep the jobs here.

BOB SCHIEFFER: Well, that-- you bring up one of the most controversial and one of the most difficult questions that people are grappling with right now, because there is a moratorium on drilling in the Gulf. I know that Senator Nelson thinks that's a good idea, Senator Boxer thinks it's a good idea, Senator Shelby I think does not believe it's a good idea but what you have proposed is to keep these people working, to let them continue to drill at these various wells. But I guess you would stop when you get to where the oil is. In other words, you could keep people working now but not take that final step. How-- why-- how would that work, Congressman?

REPRESENTATIVE JOSEPH CAO: Well, Bob, technology now allows the-- the industry to know exactly where the oil is. If you pay attention to the BP trying to dig the relief well, it takes about a good three to four months to dig a well, because they have to dig deep into-- into the ground around ten-fifteen thousand feet. And that could take a while. So we can allow them to dig up to the first twelve, thirteen thousand feet, and then ask them to-- to stop and they have the technology to do that. That will allow the administration the time to do the review they-- that they have to do in the next couple of months, to implement new procedures, new-- new protocols but allow Louisiana to keep the jobs that we desperately need to keep the-- the revenues flowing, because the oil has devastated the economy of the Gulf Coast. And now the moratorium is really making matters worse. And we have to find a common sense solution to this problem and to allow partial drilling--

BOB SCHIEFFER (overlapping): Well--

REPRESENTATIVE JOSEPH CAO: --if it comes to that solution.

BOB SCHIEFFER: Let me ask Senator Boxer, because I know you-- you favor this moratorium. Does that make sense, Senator Boxer, to you?

SENATOR BARBARA BOXER: Well, I'm su--

BOB SCHIEFFER (overlapping): What the Congressman just said.

SENATOR BARBARA BOXER: I'm sure open to his idea. What I want to say here is if you look at the permit that BP filled out, all you have to do is see what they said before the spill. They said they were thoroughly ready for anything that might happen although it was terribly remote. None of the oil would reach the beaches or the shores. And if it did, if-- if there was a spill, they said, we have the technology. And they didn't tell the truth. So what I've called for during this pause period is a look at all these permit applications, maybe there are some that are very clear, that are very safe, that are very doable. So I don't think this broad brush necessarily has to be the only way. But I do believe that each permit must be looked at, or we're going to be back to square one again. And again, the jobs that rely on this, there-- it's unbeli-- in my state, three hundred and thirty thousand jobs directly related to a clean coast. And I know how many there are in-- in-- in Senator Nelson's state, Senator Shelby's state, etc. So I think we have to do this surgically but it needs really to be done.

BOB SCHIEFFER: Senator Shelby, I know you would-- would like to see this moratorium lifted so they can get back to drilling for-- for these economic reasons--to keep people working. Is that-- is that worth the risk though? I think that's the question that people on the other side of the issue have.

SENATOR RICHARD SHELBY: Bob, I-- I understand both sides. I've seen both sides. We get about thirty percent of our oil from the Gulf now, and that is the United States. We get a great percentage of that from the deep wells. I believe that BP made some horrible mistakes. They probably tried to do it on the cheap. We have hundreds, if not thousands, of wells in the Gulf of Mexico. And-- and-- we're probably going to need more and more. If we don't, the oil drilling will go offshore and maybe not come back for a long time. But we need hands-on regulation in this area. Maybe we've learned some things that we can't take shortcuts. But if we need the energy, at least, for a bridge for a while, but it-- the same time a lot of it is common sense. And-- and not let the industry run way ahead of the regulators. The regulators have got to be on top of the industry, not the industry on top of the regulators.

BOB SCHIEFFER: All right. Well, we've got plenty more to talk about on all of this. We're going to take a little break. We'll come back in sixty seconds.

(ANNOUNCEMENTS)

BOB SCHIEFFER: And, we're back now with our guests to talk about this oil spill. Well, they may as well call it the sound bike that was heard around the world. Certainly, it was heard around this country on Friday at that Congressional Hearing when out of the blue, Republican Congressman Joe Barton of Texas said that he wanted to apologize to BP, the oil company, because of the, kind of, rude treatment it was getting from the government. We just want to play that.

REPRESENTATIVE BOB BARTON: I apologize. I do not want to live in a country where any time a citizen or a corporation does something that is legitimately wrong is subject to some sort of political pressure that is again in my words amounts to a shakedown.

BOB SCHIEFFER: Now that's what Joe Barton said. Well, today the White House Chief of Staff Ra-- Rahm Emanuel said on ABC's broadcast that this was not a slip of the tongue, that it was not a gaffe, that it was a-- a prepared statement and he said it was a governing philosophy that the Republicans are laying out. And he noted that Rand Paul is running for the Senate down in Kentucky had said criticism of BP. He called it anti-American at one point. So I guess what I want to ask you, Senator Shelby, as a republican, was that a governing philosophy that Joe Barton was laying out that represents your party?

SENATOR RICHARD SHELBY: I think that was a dumb statement by Senator-- by Congressman Barton. And-- and he repudiate it later. He only spoke for himself and then he tried to get away from that after there was pressure put on him. I would invite Congressman Barton, if he hadn't been to the Gulf and also Senator-- I mean Congressman Paul or his son to come down here and see what's happening. We don't owe BP an apology. They owe the people of the Gulf an apology, the American people. And they are solely responsible for this. This was not-- this was a man-made incident, a big mistake. They tried to do it on the cheap, I believe, made some shortcuts and they paid for it and now we pay for it. The Congressman only spoke for himself. That is not mainstream Republican thought.

BOB SCHIEFFER: Congressman Cao, why do you think that the Congressman said something like that?

REPRESENTATIVE JOSEPH CAO: Bob, I-- I-- I don't really know and it's really out of character of Joe Barton to say that. For the past year-and-a-half since I've been on the Hill, he has approached me on a number of occasions and asked me about New Orleans, about our recovery and what else we can do to help the people down here. So I know that Joe Barton is-- is a caring person. And it somewhat baffles me with respect to why he apologized to BP, but at the same time our people are suffering down here. Our people are trying to struggle to survive not only from Katrina but now from this oil spill. And, we need the help and assistance of not only from the federal government but also we need BP to step up to do everything that they can to better clean our coast, to shut this oil gushing, and to look at the long-term economic de-- and psychological redevelopment of this area.

BOB SCHIEFFER: Let me ask Senator Nelson. There're a couple of other developments that just seem to be simmering, kind of, in the background. And one is this whole question of these oil plumes. BP and the government continues to say there's just one. But we continue to hear research scientists say there maybe oil beneath the surface that we may still be or the government and BP may still be playing down the significance of that. And that not only there maybe more oil under the surface that we've been led to believe but also that there may be oil seeping out along the-- the bottom of the ocean, not just coming out of the wellhead. What have you been able to find out on those lines?

SENATOR BILL NELSON: It's true. And I want to answer that, but I want to say about Barton's comment that it's illustrative that the oil industry has ruled the roost. And, in part, they still do. You know, we're trying to lift that artificially low cap of seventy-five million dollars on economic damages. And we can't get it through the Senate because all state senators keep objecting to our request to get that legislation up. With regard to the plumes, the researchers from a number

of universities have taken measurements at two hundred meters, four hundred, and a thousand meters. They bring up the samples. They look clear but when they put their instruments on it, in fact, there's oil. Now, what is the long-term effect of that, Bob? We simply don't know. But, we know where the oil is on the surface. We can see it and it comes in, etc. But what is that long-term effect with oil sloshing around, below the surface? We simply don't know.

BOB SCHIEFFER: What-- do you think the administration or the government in some way is trying to keep this a secret to make it appear that it's even-- not as bad as-- that it could be even worse than what we know?

SENATOR BILL NELSON: Not the administration but every point Barbara and I have seen BP has drug their feet. They said it was a thousand barrels, then five thousand. Now it's upwards of sixty thousand barrels a day. BP says there's not the underwater plumes. That is not born out by scientific research. And we're going to learn more about it.

BOB SCHIEFFER: Senator Boxer, Senator Nelson brought it up just now. Let me ask you because you're going to bring this legislation up in your committee this week. And that is the idea of lifting this liability cap which is what seventy-five million dollars right now on-- on future spills. I mean, I think we've seen that BP has now said they're going to put twenty billion dollars-

SENATOR BARBARA BOXER: Mm-Hm.

BOB SCHIEFFER: --in this escrow account. Why is-- why do you feel that is necessary? Because I'll give the argument that the other side makes on this. They say if you don't have some kind of a liability cap, then smaller producers won't be able to buy insurance. And they'll be-- they'll be knocked out of the game. So, why is it a good idea to lift that cap?

SENATOR BARBARA BOXER: Well, Bob, if you care about jobs, if you care about a way of life, if you care about coastal economies, then it is ridiculous to have the tiniest of caps. And that cap is seventy-five million dollars. And that's what right now is the current law to pay back the fishermen, the people who run the hotels, the people who rent all the wonderful recreation; the boats and so on at these beautiful areas. So if we really care about jobs and we really care about this economy, then you got to protect people. You know, the Exxon Valdez, this is unbelievable. They fought in the courts, Exxon did. And at the end of twenty years, they were still fighting to re-- they didn't want to reimburse the fishermen and all the folks there. They finally settled at fifteen thousand average per claim. So, to me, it's a matter of justice. It's a matter of fairness. And if-- Bob, if you don't have a license and you really don't-- can't get a license to drive a car because maybe your vision isn't good enough. And you get in that car and you hurt somebody, you're going to have to pay it all. There's no artificial cap. So, I think it's crucial to lift the cap and we'll probably be doing it in about the next ten days. We will have a bill. I believe, it will in fact lift the cap. Because I don't think that oil companies should be treated any differently than individuals. If you-- if you hurt people, you got to step up and pay for the damage that you did.

BOB SCHIEFFER: All right. Well, I want to thank all of you for a very enlightening discussion this morning.

I'll be back with some final thoughts on all of this in just a moment.

(ANNOUNCEMENTS)

BOB SCHIEFFER: Finally today, if journalism is history's first draft, there are probably a lot of people who would like to take not a pen but an eraser to the first draft of last week. Trouble is, some of it will be hard to forget like the arrogance of BP boss Tony Heyward's non-answers to that congressional committee, truly memorable. But he soon found calmer, cleaner waters. He spent yesterday at that yacht race off the Coast of England. Congressman Joe Barton probably hopes we'll forget that episode where he apologized to BP because he thought it had been rudely treated by the government, then had to apologize for the apology because his party leaders threatened to strip him of his committee assignments. But, I'll bet a lot of people remember anyway.

And the White House may want to remember this or at least think about it because we discovered last week that the bully pulpit of the presidency is no longer quite so bully. The country used to set up and take notice when the President spoke from the Oval Office. But when the President spoke last week, the speech fell flat. I'm not so sure it was the speech as much as it was the modern presidency.

Presidents go on TV so often anymore it's become part of our routine. Put turkey and dressing on the menu every day and there is no way Christmas dinner can still seem special. You may even decide you don't like turkey. Maybe it's the same with the presidency. If President spent less time on TV, maybe we would all pay more attention when they did.

Back in a minute.

(ANNOUNCEMENTS)

BOB SCHIEFFER: That's it for today. Join us next week. We'll have exclusive interviews with Senator Patrick Leahy and Jeff Sessions, the Chairman and the top Republican on the Senate Judiciary Committee on the eve of Elena Kagan's Supreme Court confirmation hearing. That's next Sunday right here on FACE THE NATION. This Sunday, happy Father's Day, fathers.

ANNOUNCER: This broadcast was produced by CBS News, which is solely responsible for the selection of today's guests and topics. It originated in Washington, DC.