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Summary: Regulatory agencies (i.e., the people overseeing the enforcement of Affirmative plans involving regulations) are "captured" by industry, so that rulemaking and enforcement favors the industry, not the public. This subverts the effectiveness of the regulation.

This brief works well when run together with the Bureaucracy solvency brief (page 214), which covers other similar issues.

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To run this argument: if you don't have much time, you can just read one of the One-Card versions (page 2-B, 3-A). Otherwise, explain what regulatory capture is, read a link, and impact it using logic or whatever cards are most appropriate.

If the Affirmative tries to argue that their fiat power overrides capture, there are several ways to respond:

- 1. <u>Requires mandate</u>. The Affirmative must have a specific, policy-based mandate to combat regulatory capture. They can't just say "oh, we fiat that that won't happen" that's just a cop-out.
- 2. <u>Hard to solve</u>. If the Affirmative *does* try to implement specific measures to stop regulatory capture, you can use A/T "won't happen" (page 6-B) as solvency evidence.
- 3. <u>Individual actions.</u> Much regulatory capture happens at the individual level. Regulating agents often have personal connections to industry (see A/T "hard to believe it's that corrupt", page 5-B, 6-A); individual agents may decide to overlook violations, etc. The Affirmative can only fiat official policy, not individual people's motivations.
- 4. <u>Unrealistic</u>. Debate is speculative, but if we want it to be educational, it needs to be realistic as well. The Affirmative shouldn't be allowed to do things that are wildly unrealistic; they have to work within the usual policymaking framework. Regulatory capture is a fact of life, and unless they can come up with an explicit way to solve it, they just have to live with it.

OVERVIEW

Definition - industry makes regulations help them instead of public

<u>Prof. Daniel Carpenter</u> (PhD in political science, professor of government at Harvard with a focus on regulation) <u>and Prof. David Moss</u> (PhD from Yale, professor of business, government, and international economy at Harvard), <u>2013</u>, preview from "Preventing Regulatory Capture: Special Interest Influence and How to Limit it", Cambridge University Press, "Introduction", accessed 08/08/2013, <u>http://www.tobinproject.org/sites/tobinproject.org/files/assets/Introduction%20%281-16-13%29.pdf</u> (page 15)

Regulatory Capture is the result or process by which regulation, in law or application, is consistently or repeatedly directed away from the public interest and toward the interests of the regulated industry, by the intent and action of the industry itself.

One-Card: Study – Business interests dominate bureaucratic rules

<u>Prof. Susan Yackee</u> (PhD in political science, associate professor of public affairs and political science and director of the School of Public Affairs at the University of Wisconsin) <u>and Prof. Yason Yackee</u> (JD, PhD, associate professor of law at the University of Wisconsin), February <u>2006</u>, The Journal of Politics, "A Bias Towards Business? Assessing Interest Group Influence on the U.S. Bureaucracy", Vol. 68, No. 1, accessed August 8, 2013, <u>http://www.utexas.edu/law/journals/tlr/sources/Issue%2090.1/Markoff/</u> <u>10%2020%2011/markoff.fn024.yackee.a_bias_toward_business.pdf</u> (page 128-129)

In this article, we test the following hypothesis: business interests dominate bureaucratic policymaking at the expense of the broader public. Our own conclusions are markedly less optimistic than the extant empirical rulemaking literature. We analyze an original data set of over 30 rules and almost 1,700 public comments from four U.S. federal agencies, covering the period 1994 to 2001. We present statistical evidence that business interests enjoy disproportionate influence over rulemaking outputs despite the supposedly equalizing effects of notice and comment procedures.

One-Card: Industry gets regulations removed or diluted

<u>Prof. Amitai Etzioni (PhD</u>, professor of sociology at Columbia University for twenty years, <u>former</u> <u>president of the American Sociological Association</u>; in 2001, one of the top 100 most-cited academics in America), <u>2009</u>, Symposium: Public Dilemmas Revisited, "The Capture Theory of Regulations – Revisited", accessed August 8, 2013, <u>http://www2.gwu.edu/~ccps/etzioni/documents/A400%20Society</u>, <u>%20Capture.pdf</u> (page 320-321)

After public interest in a given issue wanes, special interests have found ways to virtually eliminate existing regulations from the books. During the final months of the Bush administration, the coal industry successfully lobbied regulators to dismantle federal environmental restrictions on waste dumping. In October 2008, the Interior Department announced that it would overturn a 1983 regulation which bars mining companies from dumping waste within 100 feet of any river or stream, replacing it with a requirement that companies "minimize" the debris they dump.

LINKS

Generic Link: Capture is routine, predictable, and widespread

<u>Prof. Amitai Etzioni (PhD</u>, professor of sociology at Columbia University for twenty years, <u>former</u> <u>president of the American Sociological Association</u>; in 2001, one of the top 100 most-cited academics in America), <u>2009</u>, Symposium: Public Dilemmas Revisited, "The Capture Theory of Regulations – Revisited", accessed August 8, 2013, <u>http://www2.gwu.edu/~ccps/etzioni/documents/A400%20Society</u>, <u>%20Capture.pdf</u> (page 320)

This paper seeks to refocus the current debate about regulation by examining an alternative criticism-the theory of regulatory capture. Drawing on the work of leading economists, critics have shown that regulations are routinely and predictably "captured", either by those the regulators are supposed to regulate - industries, professions, businesses or other interest groups (hereafter, special interests) - or by the bureaucrats or legislators who write and control the regulation (hereafter, regulators). Regulations thus captured serve the interests of these groups instead of the public interest. Ample evidence suggests that regulatory capture is indeed widespread. This article uses telling examples to lay out the main ways that capture occurs.

Link: Letting industry participate in rulemaking

<u>Prof. Amitai Etzioni (PhD</u>, professor of sociology at Columbia University for twenty years, <u>former</u> <u>president of the American Sociological Association</u>; in 2001, one of the top 100 most-cited academics in America), <u>2009</u>, Symposium: Public Dilemmas Revisited, "The Capture Theory of Regulations – Revisited", accessed August 8, 2013, <u>http://www2.gwu.edu/~ccps/etzioni/documents/A400%20Society</u>, <u>%20Capture.pdf</u> (page 320-321)

One major way regulation is captured is when lobbyists representing industries or other special interests play a key role in drafting the legislation (or the rules that implement it).

Link: Multiple jurisdictions available

<u>Prof. Amitai Etzioni (PhD</u>, professor of sociology at Columbia University for twenty years, <u>former</u> <u>president of the American Sociological Association</u>; in 2001, one of the top 100 most-cited academics in America), <u>2009</u>, Symposium: Public Dilemmas Revisited, "The Capture Theory of Regulations – Revisited", accessed August 8, 2013, <u>http://www2.gwu.edu/~ccps/etzioni/documents/A400%20Society</u>, <u>%20Capture.pdf</u> (page 320-321)

[Summary: If multiple jurisdictions are available – federal vs. states, or multiple agencies – industry may switch jurisdictions to gain the most favorable position.]

When special interests were unable to persuade regulators to revoke or dilute the regulations that restrict their behavior, or to weaken enforcement, they sometimes affect the regulatory regime in their favor by either switching the regulations to a new jurisdiction (e.g., from state to federal) or by playing regulators off against one another. According to the Washington Post, when giant mortgage lender Countrywide Financial felt "pressured" by the federal agencies charged with overseeing it, executives "simply switched regulators."

SOLVENCY IMPACTS

Impact: Weakening - enforcement weakened, even without changing laws

<u>Prof. Amitai Etzioni (PhD</u>, professor of sociology at Columbia University for twenty years, <u>former</u> <u>president of the American Sociological Association</u>; in 2001, one of the top 100 most-cited academics in America), <u>2009</u>, Symposium: Public Dilemmas Revisited, "The Capture Theory of Regulations – Revisited", accessed August 8, 2013, <u>http://www2.gwu.edu/~ccps/etzioni/documents/A400%20Society</u>, <u>%20Capture.pdf</u> (page 320-321)

Regulatory capture often takes place without altering the regulations on the books by weakening their enforcement. The U.S. Sentencing Commission's attempts in the late 1980s and early 1990s to implement sentencing guidelines to ensure that the worst corporate crimes were adequately punished provides a telling example.

Impact: Weakening - bureaucracy weakens regulation

<u>Prof. Amitai Etzioni (PhD</u>, professor of sociology at Columbia University for twenty years, <u>former</u> <u>president of the American Sociological Association</u>; in 2001, one of the top 100 most-cited academics in America), <u>2012</u>, The Forum, "Gridlock?", Vol. 10, Issue 3, Article 9, accessed August 11, 2013, <u>http://icps.gwu.edu/files/2013/01/Gridlock.pdf</u> (page 22)

One should note, though, that <u>regulations that are enacted are often later significantly weakened. For</u> example, Congress passed the Sarbanes-Oxley Act of 2002, establishing a new, firmer accounting regime for corporations. One part of the Act required companies regularly to audit their own internal anti-fraud and bookkeeping safeguards, and set up the Public Company Accounting Oversight Board to audit these auditors. Businesses lobbied against this rule, and in 2006, after the Enron-inspired public outcry had subsided, the SEC greatly curtailed these regulations. Instead of requiring auditors to investigate any accounting issues that had a "more than remote" chance of turning out to be an error or fraud, the new rule requires auditors to investigate only issues that had a "reasonable possibility" of fraud.

Impact: Corruption - serving money, not the "public interest"

<u>Prof. Frédéric Bohm (PhD</u> in economics, professor of economics at the Unversity del Norte, anticorruption trainer), July <u>2007</u>, "Regulatory Capture Revisited - Lessons from Economics of Corruption", Centre for Corruption Research Working Paper, accessed August 8, 2013, <u>http://xa.yimg.</u> <u>com/kq/groups/22107528/670468172/name/Boehm+-+Regulatory+Capture+Revisited.pdf</u> (page 3)

In other words, <u>Downs</u> (1957) <u>questions the benevolence of the government to pursue such a thing as a</u> 'public interest'. The government is not a machine, and the human beings constituting it, bureaucrats and politicians, are economic agents that are also pursuing their own private goals, such as prestige and wealth, and are thus prone to conflicts of interests between these private goals and their public function. This may lead to an abuse of their position to foster their own goals, or those of interests able to pay for it, instead of serving the idea of a 'public interest'. This is precisely the definition of corruption: an abuse of entrusted powers for private benefits.</u>

RESPONSES

A/T "hard to believe it's that corrupt": Plenty of legal ways to capture

<u>Prof. Amitai Etzioni (PhD</u>, professor of sociology at Columbia University for twenty years, <u>former</u> <u>president of the American Sociological Association</u>; in 2001, one of the top 100 most-cited academics in America), <u>2009</u>, Symposium: Public Dilemmas Revisited, "The Capture Theory of Regulations – Revisited", accessed August 8, 2013, <u>http://www2.gwu.edu/~ccps/etzioni/documents/A400%20Society.</u> <u>%20Capture.pdf</u> (page 4, 6)

From bribes to threats, there are plenty of illegal ways in which regulators can be influenced (Del Bo and di Tella, 2003). I <u>purposefully ignore these channels</u> not because they are not important in general, but because they are less interesting if we want to study how to prevent capture in the United States. Illegal methods are less pervasive here and are easier to fight: it is sufficient to enforce the law.

[later, in the same context:]

<u>Regulators need a lot of industry-specific information.</u> Without this information they cannot do their job properly, risking embarrassing mistakes. <u>Much of this information is possessed by the regulated</u>. Unless there is an explicit disclosure requirement, <u>the regulator has to bargain with the regulated to obtain that information</u>. This creates an easy opportunity for the regulated to "trade" information in exchange for <u>favorable treatment</u>. This quid pro quo is generally implicit. The regulator tries to establish a cooperative environment with the regulated. To support this cooperation they have to make concession and they expect cooperation from the industry in terms of information.

[later, in the same context:]

Regulators do not operate in a vacuum. They generally possess industry-specific human capital, which has been accumulated through formal training and years of work in a specific industry. This specialized human capital creates a natural interest in supporting activities that use this human capital. A person specialized in derivative trading, for instance, is likely to be terribly impressed with the importance and value of derivatives, just as a nuclear engineer is likely to think nuclear power can solve all the world's problems. If most of the regulators were picked from among nuclear engineers, it would be only natural that the country would soon fill with nuclear plants. In fact, we have an example of precisely that in France.

A/T "hard to believe it's that corrupt": It isn't, it's just economics - laundry list

<u>Prof. Luigi Zingales (PhD</u> in economics, professor of entrepreneurship and finance at the University of Chicago; winner of the Bernácer Prize for "outstanding contributions" to economics), <u>2013</u>, preview from "Preventing Regulatory Capture: Special Interest Influence and How to Limit it", edited by Daniel Carpenter and David Moss, Cambridge University Press, "Preventing Economists' Capture", accessed August 8, 2013, <u>http://www.tobinproject.org/sites/tobinproject.org/files/assets/Zingales%20Preventing %20Economists%27%20Capture%20%281.16.13%29.pdf</u> (page 1)

When economists talk about regulatory capture, they do not imply that regulators are corrupt or lack integrity. In fact, if regulatory capture was just due to illegal behavior, it would be easier to fight. Regulatory capture is so pervasive precisely because it is driven by standard economic incentives, which push even the most well-intentioned regulators to cater to the interest of the regulated. These incentives are built in their positions. Regulators depend upon the regulated for much of the information they need to do their job properly. This dependency creates a need to cater to the information providers. The regulated are also the only real audience of the regulators, since taxpayers have all the incentives to remain ignorant. Hence, the regulators to cater to the interest of the regulated. Finally, career incentives play a big role. The regulators human capital is highly industry specific and the best job for people holding that specific human capital are with the regulated. Hence, the desire to preserve future career options makes it difficult for the regulator not to cater to the regulated.

A/T "won't happen": Stopping it requires campaign finance reform

<u>Prof. Amitai Etzioni (PhD</u>, professor of sociology at Columbia University for twenty years, <u>former</u> <u>president of the American Sociological Association</u>; in 2001, one of the top 100 most-cited academics in America), <u>2009</u>, Symposium: Public Dilemmas Revisited, "The Capture Theory of Regulations – Revisited", accessed August 8, 2013, <u>http://www2.gwu.edu/~ccps/etzioni/documents/A400%20Society</u>, <u>%20Capture.pdf</u> (page 322)

Given that capture of regulations indeed undermines their purpose, and that the proposed alternatives to regulation are subject to the same basic pitfalls as regulations themselves, the question stands: <u>what</u> <u>actions can be taken to make regulations much more resistant to capture and more likely to serve the public interest?</u> This question has acquired special acuteness given that it is widely agreed that the severe financial crisis of 2008 was generated to a large extent by excessively lax regulation of banks, mortgagelenders, hedge-funds and other financial institutions. The answer, to a large extent, lies in a measure that, at this stage, does not have wide public support; namely, greatly limiting the role private money can play in the ways elections campaigns for national, state and local offices are financed. By far the most important reason regulation is captured is because legislators are dependent on special interests for the funds essential for running for office. Indeed, was it not for the fact that legislatures can raise money from special interests much more easily than from individual citizens, lawmakers would be expected to tilt toward the many (the public at large) against the few (the special interests).

SPECIFIC: FISHING

Fishery Management: Captured by industry, leading to unsustainable fishing

<u>Prof. Thomas Okey (PhD</u> in zoology, adjunct professor at the University of Victoria School of Environmental Studies; founder and science director of the Conservation Science Institute), 2003, Marine Policy, "Membership of the eight Regional Fishery Management Councils in the United States: are special interests over-represented?", Vol. 27, accessed August 8, 2013, <u>http://www.e2.org/ext/doc/Okey2003Mar.pdf</u> (page 194)

<u>The issue of representation of (general) public interests in fisheries management</u> has remained largely taboo within the subculture of United States (US) fisheries management, in spite of perceptive early warnings by Pontecorvo and other emerging criticisms e.g., This issue <u>can no longer be ignored since conflicts of interest</u>, <u>big money</u> <u>lobbying</u>, <u>disproportionate representation</u>, <u>and vote trading have come to the forefront</u> of public debate in the US and around the world due to several highly visible manifestations.</u>

[later, in the same context:]

Almost two decades ago, the Director of the Office of Fisheries Management of the National Marine Fisheries Service (NMFS) conceded that US fisheries are managed through industry lobbying, but he made it sound like this is a functional aspect of fishery management. It is now recognized that too much influence by the regulated industry in policy and management decisions can lead to unsustainable fishing, degraded marine ecosystems, and impoverished fishing communities simply because management systems tend to favor big money interests when they are structured (designed) to be influenced by those interests. This occurs because public agencies depend on the support of legislators who, in turn, depend on the support of constituents, whose interests are often strongly distorted because industry lobbyists are usually the most influential of all constituents. The direct and indirect influence industry has on agencies charged with regulating them leads to adverse impacts not only on marine ecosystems and industry sectors, but also on the opportunities and well being of a nation's general public, which is effectively not represented in fisheries decision making. The general pattern in the US is that councils dominated by industry (user group) representatives make the decisions about exploitation of public (marine fishery) resources. This has been referred to as 'capture' of the regulatory or management process by industry.

Regional Fishery Councils: Captured by industry, perverse incentives

<u>Prof. Thomas Okey (PhD</u> in zoology, adjunct professor at the University of Victoria School of Environmental Studies; founder and science director of the Conservation Science Institute), 2003, Marine Policy, "Membership of the eight Regional Fishery Management Councils in the United States: are special interests over-represented?", Vol. 27, accessed August 8, 2013, <u>http://www.e2.org/ext/doc/Okev2003Mar.pdf</u> (page 193)

The failure of modern fisheries management is blamed on myriad socio-economic and technical problems, but <u>the most</u> <u>fundamental reason for failure might be the overwhelming dominance of extractive interests in</u> participatory decision-making venues. In the United States, commercial fishing interests made up 49% of appointed voting members of the eight Regional Fishery Management Councils between 1990 and 2001; recreational fishing interests made up 33%, and all other interests combined made up 17%. Dominance of commercial fishing representation over the 'other' group was statistically significant, and this unequal apportionment of interests remained statistically stable throughout the 12 years of reporting. Contemporary economic sensibilities within this 'industry-captured' regulatory process generate perverse incentives for management decisions that conflict with, and can undermine, national sustainability goals and standards, even when those standards are logically sound and agreed to by consensus.

Regional Fishery Councils: General info – councils responsible for management decisions

<u>Prof. Thomas Okey (PhD</u>, adjunct professor of environmental studies at the University of Victoria; founder and science director of the Conservation Science Institute), <u>2003</u>, Marine Policy, "Membership of the eight Regional Fishery Management Councils in the United States: are special interests overrepresented?", Vol. 27, accessed 08/08/2013, <u>http://www.e2.org/ext/doc/Okey2003Mar.pdf</u> (page 194)

US fisheries management decisions are currently deliberated by eight Regional Fishery Management Councils, each comprised of a federal representative, state representatives, and appointed members that have 'knowledge' of fisheries management and conservation. The councils are constituted based on the premise that participation of fishing industries in fisheries management decisions is crucial for successful allocation and conservation of living marine resources, and for increasing the likelihood of compliance with fishery regulations.

SPECIFIC: OIL

Two acronyms to know:

<u>BOEMRE</u>: Bureau of Ocean Energy Management & Enforcement. <u>MMS</u>: Minerals Management Service (now defunct)

Prior to the Deepwater Horizon spill, the MMS regulated offshore drilling <u>and</u> collected revenue from oil leases. The desire for funds won out, and poor MMS oversight partially enabled the spill.

After the spill, the MMS was cut and reorganized into the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement. The idea was to split funds and regulation agencies in order to prevent regulatory capture by the industry. (It didn't work - see the applicable cards.)

Capture contributed to Deepwater Horizon spill

<u>Prof. Christopher Carrigan (PhD</u> in public policy from Harvard, assistant professor of public policy and public administration at George Washington University), <u>2013</u>, preview from "Preventing Regulatory Capture: Special Interest Influence and How to Limit it", edited by Daniel Carpenter and David Moss, Cambridge University Press, "Captured by Disaster? Reinterpreting Regulatory Behavior in the Shadow of the Gulf Oil Spill", accessed August 7, 2013, <u>www.tobinproject.org/sites/tobinproject.org/</u> <u>files/assets/Carrigan Captured by Disaster (1.16.13).pdf</u> (page 2-3, 5)

[Note: This author's personal position is that, in general, regulatory capture is exaggerated.]

However, in terms of salient examples, at first glance the plight of the Minerals Management Service (MMS), a <u>now defunct agency</u> of the Department of the Interior (Interior) that employed roughly 1,600 federal workers (Minerals Management Service 2010), presents perhaps the clearest case of capture in recent history. Not only did behavior at the agency provide rare public confirmation of the types of activities including bribery and excessive gift exchange that theorists have predicted does occur with captured regulatory relationships, drug use and sexual misconduct involving MMS employees and their industry counterparts reveal evidence of actions that extend beyond those that even captured agencies typically display. Support for MMS's failure is tangible given its association with the April 2010 Deepwater Horizon oil rig fire and subsequent spill that deposited roughly 4.9 million barrels of oil into the Gulf of Mexico and has historians debating its place on the list of worst environmental disasters in U.S. history (Fahrenthold & Mui 2010, United States Geological Survey 2010).

MMS captured, corrupted

<u>Prof. Christopher Carrigan (PhD</u> in public policy from Harvard, assistant professor of public policy and public administration at George Washington University), <u>2013</u>, preview from "Preventing Regulatory Capture: Special Interest Influence and How to Limit it", edited by Daniel Carpenter and David Moss, Cambridge University Press, "Captured by Disaster? Reinterpreting Regulatory Behavior in the Shadow of the Gulf Oil Spill", accessed August 7, 2013, <u>www.tobinproject.org/sites/tobinproject.org/files/assets/Carrigan Captured by Disaster (1.16.13).pdf</u> (page 2-3, 5)

The primary and most direct evidence for the oil and gas industry's capture of MMS is derived from two Department of the Interior Office of Inspector General (OIG) communications released in September 2008 and May 2010 respectively (Devaney 2008, Kendall 2010b). The first, summarizing the results of three separate investigations, focused primarily on the activities between 2002 and 2006 of members of the Royalty in Kind (RIK) Program within MMS's Minerals Revenue Management (Revenue Management) division. The RIK Program was an initiative designed to allow MMS to receive royalty revenue from industry by taking possession of a portion of the oil and gas produced rather than the monetary equivalent and subsequently selling that oil on the open market (Devaney 2008, Office of the Inspector General 2008c, p. 2). The memorandum and associated investigative reports detail the extent to which nine of the nineteen implicated employees accepted industry gifts in the form of unreimbursed meals, parties, trips, and attendance at events such as golf tournaments. Although OIG noted that none were individually large, these individuals received gifts frequently and often did not report them internally (Devaney 2008, p. 2, Office of the Inspector General 2008c, p. 5). Further, two of the cited employees admitted to "brief sexual relationships" with industry contacts and confided that industry events often included alcohol consumption (Office of the Inspector General 2008c, p. 8). OIG also uncovered evidence of drug abuse by some members of the group as well as outside employment that was not reported on internal disclosure forms.

MMS captured – conflicting purpose = ineffective

<u>Prof. Christopher Carrigan (PhD</u> in public policy from Harvard, assistant professor of public policy and public administration at George Washington University), <u>2013</u>, preview from "Preventing Regulatory Capture: Special Interest Influence and How to Limit it", edited by Daniel Carpenter and David Moss, Cambridge University Press, "Captured by Disaster? Reinterpreting Regulatory Behavior in the Shadow of the Gulf Oil Spill", accessed August 7, 2013, <u>www.tobinproject.org/sites/tobinproject.org/</u> <u>files/assets/Carrigan Captured by Disaster (1.16.13).pdf</u> (page 10, 57-58)

Specifically, by structuring the agency such that it was tasked to collect revenue - and given that revenue could not be collected without production - the decision to place both functions with MMS made it difficult for the agency to fulfill its role as regulator, as doing so effectively would limit offshore development and resulting production. Thus, in restricting MMS's ability from the outset to regulate effectively, the agency readily became captured by the industry as the two were never really at cross-purposes anyway (Honigsberg 2011). However, to make matters worse, the agency was also allowed to offset a substantial portion of its budget appropriations using the revenue it collected from oil and gas production on federal lands (Flournoy et al. 2010). As a result, to the extent it accomplished its mission as regulator, it limited its own budget.

A/T "new agencies solved": Still influenced – adopting industry standards unmodified

<u>Prof. Mark A. Latham (JD</u>, professor at Vermont Law School focusing on environmental law), <u>2011</u>, Boston College Environmental Affairs Law Review, "Five Thousand Feet and Below: The Failure to Adequately Regulate Deepwater Oil Production Technology", Vol. 38, Issue 2, accessed 07/07/13 (p358)

Fourth, one can legitimately question whether BOEMRE and the other bureaus created in the aftermath of the Deepwater Horizon spill can truly serve as independent regulators of the oil and gas industry. One reason this question still lingers, even after MMS was dismantled, is because of BOEMRE's continuing practice of adopting wholesale American Petroleum Institute (API) standards as regulatory requirements. This means that an influential industry trade association continues to loom large in the regulation of deepwater drilling.

A/T "new agencies solved": Still have to coordinate closely – overlapping functions

<u>Prof. Christopher Carrigan (PhD</u> in public policy from Harvard, assistant professor of public policy and public administration at George Washington University), <u>2013</u>, preview from "Preventing Regulatory Capture: Special Interest Influence and How to Limit it", edited by Daniel Carpenter and David Moss, Cambridge University Press, "Captured by Disaster? Reinterpreting Regulatory Behavior in the Shadow of the Gulf Oil Spill", accessed August 7, 2013, <u>www.tobinproject.org/sites/tobinproject.org/</u> <u>files/assets/Carrigan Captured by Disaster (1.16.13).pdf</u> (page 10, 57-58)

Moreover, given the extensive overlap associated with the functions that formed Offshore Energy, even Secretary Salazar's July 2010 implementation report recognized the inherent limitations in trying to create separate offshore planning and regulatory organizations. After the prolonged restructuring process was completed, the plan emphasized the need for the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement to maintain ongoing "close program coordination" to operate effectively, as "functions and process are tightly interconnected" between these components (Department of the Interior 2010, p. 6). Thus, to the extent that the separation of offshore planning from oversight could, in theory, even partially insulate regulation from the political and public pressure to promote oil and gas production, the offsetting need to coordinate the associated functions makes that possibility both less feasible and less desirable.