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U.S. and Five Gulf States Reach Historic Settlement with BP to Resolve Civil Lawsuit Over Deepwater Horizon Oil Spill

Total Value of Global Settlement Will Top \$20 Billion Largest with a Single Entity in Justice Department History Assures Continued Restoration of the Gulf Coast

The United States today joins the five Gulf states in announcing a settlement to resolve civil claims against BP arising from the April 20, 2010 Macondo well blowout and the massive oil spill that followed in the Gulf of Mexico.

This global settlement resolves the governments' civil claims under the Clean Water Act and natural resources damage claims under the Oil Pollution Act, as well as economic damage claims of the five Gulf states and local governments. Taken together this global resolution of civil claims is worth \$20.8 billion, and is the largest settlement with a single entity in the department's history.

Also today, consistent with the settlement, the Deepwater Horizon Trustees Council, made up of representatives of the five Gulf states and four federal agencies, has published a draft damage assessment and restoration plan and a draft environmental impact statement. The plan includes a comprehensive assessment of natural resource injuries resulting from the oil spill and provides a detailed framework for how the trustees will use the natural resource damage recoveries from BP to restore the Gulf environment.

"Building on prior actions against BP and its subsidiaries by the Department of Justice, this historic resolution is a strong and fitting response to the worst environmental disaster in American history," said Attorney General Loretta Lynch. "BP is receiving the punishment it deserves, while also providing critical compensation for the injuries it caused to the environment and the economy of the Gulf region. I am proud that the Department of Justice has helped lead the way from tragedy to opportunity, and I am confident that our actions today will help to ensure that Gulf communities emerge from this disaster stronger and more resilient than ever before."

"Five years after one of the worst environmental disasters in our nation's history, which claimed 11 lives and caused untold damage, we have reached a historic milestone with today's settlement," said Secretary of Commerce Penny Pritzker. "With this settlement, federal, state and local governments and the Gulf coast communities will have the resources to make significant progress toward restoring ecosystems, economies, and businesses of the region. We are committed to ensuring the Gulf Coast comes back stronger and more vibrant than before the disaster. If made final, the settlement will provide the U.S. and Gulf states with the resources and certainty needed for effective restoration planning and improvements."

"This agreement brings renewed hope for a fully restored Gulf of Mexico to millions of Americans who value the Gulf for its contributions to our economy, our environment and plentiful recreational opportunities," said Interior Secretary Sally Jewell. "Today's settlement is a significant step in restoring the natural resources that were impacted by the Deepwater Horizon oil spill and a breakthrough for building back the resilience of this region. The Trustees will continue to work with people along the coast to ensure they have every opportunity to be engaged in these meaningful recovery and restoration efforts that will generate jobs, improve water quality, support our tribal responsibilities and result in an improved wildlife habitat for migratory birds and hundreds of vulnerable species."

"Through this historic settlement, USDA will continue working with rural communities, landowners and other partners to conserve watersheds and working lands," said Agriculture Secretary Tom Vilsack. "This work will benefit the Gulf of Mexico and its associated natural resources as well as help local economies that were damaged by the Deepwater Horizon Oil Spill."

"Today is a day of justice for every family and every Gulf community whose health, land, water, and livelihoods were threatened by the Deepwater Horizon disaster," said Administrator Gina McCarthy of EPA. "This settlement puts billions of dollars to work to help restore the Gulf, and holds BP publically accountable for changes to its practices, to prevent this kind of disaster from happening again."

"Today's settlement ensures that BP repays the Government for its costs in responding to the Deepwater Horizon tragedy," said Admiral Paul Zukunft of the U.S. Coast Guard Commandant. "The historic civil penalty also sends a clear message of accountability for those who pollute the U.S. environment. In addition, this settlement is a positive step toward restoring our Gulf Coast to health and to ensure that it remains a national centerpiece for economic prosperity, a place of recreation and, most importantly, a pristine home to the generations of Americans who work and reside along its bays, rivers and estuaries."

On April 10, 2010, less than 50 miles off the coast of Louisiana, the Macondo well suffered a catastrophic blowout. The ensuing explosion and fire destroyed the

<http://www.justice.gov/opa/pr/us-and-five-gulf-states-reach-historic-settlement-bp-resolve-civil-lawsuit-over-deepwater>

Deepwater Horizon drilling rig, killing 11 men aboard and sending more than three million barrels of oil into the Gulf of Mexico over a period of nearly three months. Oil flowed within deep ocean water currents hundreds of miles away from the blown-out well, resulting in oil slicks that extended across more than 43,000 square miles, affecting water quality and exposing aquatic plants and wildlife to harmful chemicals. Oil was deposited onto at least 400 square miles of the sea floor and washed up onto more than 1,300 miles of shoreline from Texas to Florida.

The spill damaged and temporarily closed fisheries vital to the Gulf economy, oiled hundreds of miles of beaches, coastal wetlands and marshes and killed thousands of birds and other marine wildlife, among other economic and natural resource injuries.

On Dec. 15, 2010, Attorney General Eric Holder announced a civil lawsuit against BP and several co-defendants, seeking to hold them accountable for the Deepwater Horizon disaster. The federal lawsuit culminated in a three-phase civil trial in which the United States proved, among other things, that the spill was caused by BP's gross negligence.

Each of the Gulf States – Alabama, Florida, Louisiana, Mississippi and Texas – also filed civil claims against BP relating to the spill, including claims for economic losses and natural resource damages.

Under the terms of a consent decree lodged in federal court in New Orleans this morning, BP must pay the following:

- \$5.5 billion federal Clean Water Act penalty, plus interest, 80 percent of which will go to restoration efforts in the Gulf region pursuant to a Deepwater-specific statute, the RESTORE Act. This is the largest civil penalty in the history of environmental law.
- \$8.1 billion in natural resource damages, this includes \$1 billion BP already committed to pay for early restoration, for joint use by the federal and state trustees in restoring injured resources. BP will also pay up to an additional \$700 million, some of which is in the form of accrued interest, specifically to address any later-discovered natural resource conditions that were unknown at the time of the agreement and to assist in adaptive management needs. The natural resource damages money will fund Gulf restoration projects that will be selected by the federal and state trustees to meet five different restoration goals and 13 restoration project categories. These include restoration focusing on supporting habitats such as coastal wetlands, but also provide for specific resource types, such as marine mammals, fish and water column invertebrates, sturgeon, submerged aquatic vegetation, oysters, sea turtles, birds and lost recreational use, among others.
- \$600 million for other claims, including claims for reimbursement of federal and state natural resource damage assessment costs and other unreimbursed federal expenses and to resolve a False Claims Act investigation due to this incident.

The payments will be made over time and are backed by parent company guarantees from BP Corporation North America Inc. and BP P.L.C.

Additionally, BP has entered into separate agreements to pay \$4.9 billion to the five Gulf states and up to a total of \$1 billion to several hundred local governmental bodies to settle claims for economic damages they have suffered as a result of the spill.

Notice of both the consent decree and the draft damage assessment and restoration plan are published in the federal register. Both will be available for public comment for 60 days. The materials and instructions for commenting on the consent decree can be found at <http://www.justice.gov/enrd/deepwater-horizon>. The materials and instructions for commenting on the draft damage assessment and restoration plan and draft environmental impact statement can be found at www.gulfspillrestoration.noaa.gov. A series of public meetings will be held in the Gulf region and Washington, D.C. to solicit comments on the proposed consent decree and the draft restoration plan.

Earlier settlements:

The settlements announced today are in addition to several earlier criminal and civil settlements of federal government claims concerning the Deepwater Horizon disaster.

First, on Feb. 17, 2012, MOEX Offshore 2007 LLC, which had a 10 percent stake in the well, agreed to settle its liability for the Deepwater Horizon oil spill in a settlement with the United States valued at \$90 million. Approximately \$45 million of the \$90 million settlement was dedicated to directly benefit the Gulf in the form of penalties, as well as coastal and habitat protection projects.

On Jan. 29, 2013, BP Exploration and Production Inc. pleaded guilty to illegal conduct leading to and after the 2010 Deepwater Horizon disaster, and was sentenced to pay \$4 billion in criminal fines, penalties and restitution, including \$2.4 billion for natural resource restoration.

On Feb. 14, 2013, Transocean Deepwater Inc., the Deepwater Horizon's owner and operator, pleaded guilty to violating the Clean Water Act and was sentenced to pay \$400 million in criminal fines and penalties, for its conduct in relation to the disaster. A separate civil settlement imposed a record \$1 billion Clean Water Act penalty on Transocean and required the company to take significant measures to improve its performance and prevent recurrence of this conduct.

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[Download Restoration Plan Fact Sheet](#) (443.89 KB)

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