Environmental groups say BP deserves max $13.7 billion oil spill fine

BP Oil Spill: a Look Back

P.J. Hahn, an employee of Plaquemines Parish, Louisiana, rescues a brown pelican from oil-filled waters on Queen Bess Island, Louisiana, June 5, 2010. Oil from the massive BP oil spill in the Gulf of Mexico has fouled the marshlands and injured wildlife. (A.J. Sisco, NOLA.com | The Times-Picayune archives)

Jennifer Larino, NOLA.com | The Times-Picayune By Jennifer Larino, NOLA.com | The Times-Picayune

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Environmental groups say a federal judge's Thursday ruling that the 2010 Gulf of Mexico oil spill was smaller than government estimates was fair and an "important step" in the sprawling spill litigation. As the trial moves forward, they say BP should face the maximum penalty for its role in the spill.

John Lopez, a spokesman for the Lake Pontchartrain Basin Foundation and its coastal program, marked the ruling as a key step forward in the sprawling oil spill litigation.

"This is another important step toward moving forward and having civil fines fully defined and paid," Lopez said.

In a Thursday ruling, U.S. District Judge Carl Barbier said BP spilled 3.19 million barrels of oil into the Gulf during the 87-day disaster.

The federal government argued 4.19 million barrels were spilled. BP said it was only 2.45 million.

The ruling means BP could face up to $13.7 billion in pollution fines, well below the $18 billion the federal government wants it to pay.

Barbier will use the barrel count to determine how much BP owes in Clean Water Act fines during the third and final phase of the civil trial over the spill. That phase starts Tuesday.

Steve Murchie, campaign director for the Gulf Restoration Network, said he's sure the spill estimate is too conservative for many.

But Murchie said he trusts Barbier came to the best conclusion after reviewing the complex, mathematical evidence presented at trial.
"The judge's ruling may be disappointing to some people, but we believe it's based on factual analysis," Murchie said. "There are other, more subjective components of the trial, but this isn't one of them."

Barbier acknowledged in the ruling "there is no way to know with precision" how much oil discharged into the Gulf. He arrived at 3.19 million barrels after "weighing all of the evidence and considering all of the arguments."

The Clean Water Act fines violators anywhere from $1,000 to $4,300 per barrel.

Barbier ruled in September that BP was "grossly negligent" in the spill, exposing the company to the maximum per-barrel fine. BP is appealing that decision.

Over the next three weeks, the Justice Department will argue that BP deserves the top $4,300-per-barrel fine. BP says its penalty should fall on the lower end of the statutory range.

Steve Cochran, director of Environmental Defense Fund's Mississippi River Delta restoration project, said BP's actions have "earned it the maximum penalty."

Cochran said the Thursday ruling was important, but that it's even more important BP's per-barrel penalty reflect the severity of its violations and serve as a warning for other oil and gas companies drilling offshore.

A maximum fine "shows you are doing your best ensure that it won't happen again," Cochran said. "That's what at stake here. That's why it matters."

Barbier ruled BP was not grossly negligent in its effort to cap the oil gusher.

The ruling noted BP's oil spill response plan only provided details on how the company planned to cleanup oil on the water's surface, not how to contain an underwater blowout.

But Barbier said the plan met regulatory standards at the time.

Cochran said Barbier's ruling should also serve as a warning to the country's leaders, underscoring the need for effective government oversight of offshore drilling.

Louisiana and other Gulf States have a high stake in the amount of money BP ultimately pays in Clean Water Act fines.

Signed by President Barack Obama in July 2012, the RESTORE Act directs 80 percent of Clean Water Act fines to fund restoration efforts in five coastal states affected by the spill, including Louisiana, Alabama, Mississippi, Florida and Texas.

A share of that money could go to help fund a portion of the $50 billion in projects Louisiana has mapped out in a 50-year flood protection and coastal restoration plan.
Murchie acknowledged Louisiana stands to benefit from a higher penalty for BP. But he said the focus should be on sending a clear message that oil and gas companies drilling offshore are responsible for their actions.

"This is the point at which BP needs to be held accountable and we hope that's what happens," Murchie said.

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