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UNITED STATES SENATOR · DELAWARE

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SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT INFORMATION, FEDERAL SERVICES, AND INTERNATIONAL SECURITY

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

HEARING: "The Gulf of Mexico Oil Spill: Ensuring a Financially Responsible Recovery Part II"

Opening Statement of Senator Thomas R. Carper, Chairman
(As prepared for delivery)

A week ago today, BP successfully placed a containment cap on the Gulf of Mexico oil well which had blown out nearly 86 days before. This is a welcome development and one which many in our nation were probably beginning to doubt they'd ever see. While this accomplishment brings us cautious hope, it is tempered by the harsh reality of what is left in the wake of this disaster:

The eleven men who lost their lives on the Deepwater Horizon rig and who leave behind families who are forever altered by this horrific accident; the over 185 million gallons of crude oil dumped into the Gulf of Mexico, which blackened beaches and damaged countless wildlife habitats; and the businesses and communities which some fear may not be fully rebuilt for a generation or more.

Indeed, while we may have removed the bull from the China shop with the capping of this well, we've got a lot of pieces left to pickup. Last month, our subcommittee held a hearing to explore how we were ensuring America would be made whole again following this disaster – without putting a hole in our pockets.

We learned that the United States Coast Guard had been tracking the federal costs in responding to the oil spill and sending bills to the responsible parties for reimbursement. To date, the federal government has billed the responsible parties for over $222 million in incurred costs. The most recent bill – totaling over $99 million – was sent last week. At our hearing we learned that BP had been cutting the checks for these invoices and they promised us that they would continue to do so for as long as we continue to send them.

While BP is the principal owner and operator of the oil well and is recognized by the government as the primary responsible party, there are other companies who have also received these bills and have obligations under federal law. Among them, Anadarko Petroleum Corporation, which owns a 25-percent stake in the oil well, and MOEX Offshore

which owns a 10-percent stake. But while the federal government has received payment from BP for taxpayers' costs, we still haven't heard back from Anadarko or MOEX.

This subcommittee has obtained invoices that BP sent these two companies asking them to share in the costs of responding to the spill so far. We've also received the companies' responses to those bills and it's clear that they have declined to date to pay for these bills. In the event that BP is unwilling or unable to continue carrying the full weight of this spill's costs, the American people will want to know who else is responsible.

Under the law, Anadarko and MOEX are responsible and liable for this spill. Today, I hope to hear more from them about how they view their relationship with BP and their roles in responding to and paying for this disaster. Our hearing last month also featured testimony from the Government Accountability Office, which reported significant ongoing risks and vulnerabilities related to the Oil Spill Liability Trust Fund, the Fund responsible for claims made by individuals and businesses who are denied or left unsatisfied by BP's claims process.

Since that time, President Obama and senior BP officials announced a new independent claims process that would be created and funded by a $20 billion escrow fund established by BP. Mr. Kenneth Feinberg – former Special Master of the 9/11 Victim's Compensation Fund, among other distinctions – was named the Administrator of this new claims regime. Today, I look forward to hearing from Mr. Feinberg about his progress to date and how the fund he manages will interact with the statutory framework that already exists within the Oil Spill Liability Trust Fund.

Our collective sigh of relief due to the good news coming from the Gulf in recent days should not distract us from the significant challenges that lie before us. While the well may now be capped, this spill will continue to play out at the kitchen table of every American whose livelihoods and way of life have been affected by this calamity. My colleagues and I will do whatever it takes to get residents of the Gulf Coast back on their feet again, to protect our nation from the costs and impacts of this spill, and make sure that those who are responsible for this disaster are held to account.

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