

Holt Originally Introduced Big Oil Bailout Protection Act to Retroactively Raise Oil Liability Limit

U.S. Rep. Rush Holt (NJ-12) tonight joined the U.S. House of Representatives in passing legislation that would, among other things, remove the existing limit on liability for oil companies. The bill draws on Holt's Big Oil Bailout Prevention Act to ensure that BP and other oil companies are held accountable for paying economic damages resulting from spills. While the responsible party in an oil spill currently must pay for all clean-up costs, currently there is a \$75 million cap on its liability for economic damages, including lost business revenues from fishing and tourism, natural resources damages, or lost local tax revenues. Like Holt's bill, the bill passed by the House would raise the cap retroactively.

"BP should be liable for every last cent of the natural resource and economic damage it caused - not the small business owner, not the restaurateur, not the vacation home renter, not the fishermen, not the American taxpayer. Raising the cap is about ensuring that BP is on the hook - by law and by fact. It's about fairness and ensuring that the buck stops with the oil companies and it won't spill over to taxpayers."

Video of Holt's floor remarks can be found at <http://www.youtube.com/watch?v=etmJqb5UN6w>

In addition to raising the liability cap, the House-passed legislation would:

- **Establish New Oil Drilling Safety Standards.** The bill would require strong new safety standards for offshore drilling, including independent certifications of critical equipment, demonstrations of the ability to respond to future blowouts or major spills, increased inspections, stiffer penalties for safety violations, and an end to the practice of issuing environmental waivers for drilling plans. It would require all vessels and rigs off U.S. coasts - including foreign owned ones -- to fully adhere to U.S. safety standards.
- **Reform Federal Oversight of Oil Drilling and the Minerals Management Service (MMS).** The bill would abolish MMS and divide it into three separate entities to eliminate conflicts-of-interest: one to manage leasing & permitting; another to do the policing of health,

safety, and environmental regulations; and a third to collect energy revenues.

- **Strengthen the President's Oil Spill Commission:** The bill would give the Commission subpoena power so it can get the answers needed to get to the bottom of what actually happened.

- **Establishes a Gulf of Mexico Restoration Program** to coordinate the efforts to return the Gulf to health following the oil rig explosion.

- **Funds fully the Land and Water Conservation Fund.** Providing full funding for the Land and Water Conservation Fund and the Historic Preservation Fund would help offset some of the destructive effects of oil and gas production by preserving places with high quality recreation opportunities and vital wildlife habitat.