



Everything New Orleans

Gov. Jindal, don't sign away our legal claims against BP: Robert R.M. Verchick

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As early as Monday, Gov. Bobby Jindal will probably sign Senate Bill 469, a bill designed to neutralize the **Southeast Louisiana Flood Protection Authority-East's lawsuit** against oil and gas companies. But does our governor realize that, if he signs this bill, he also may be killing scores of claims that his own state and associated local governments have brought against BP for **the Macondo oil spill?**

For, whatever the governor or state lawmakers may believe, that is precisely what **SB 469** might do.

SB 469 clearly lists not only who can bring claims in Louisiana's coastal zone, but what kind of claims they can bring. Notably missing from its list are claims for economic losses and claims for natural resource damages under the **Oil Pollution Act of 1990 (OPA)** - the very basis for pending claims against BP.

But the state, as well as several parishes, have already brought economic claims under OPA. So have coastal cities. And fire districts. And airports. And school districts. And SLFPAE itself, which presented a claim against BP for more than \$79 million, mostly to recover tax revenues it lost because of the oil spill.

These OPA claims are not frivolous or opportunistic. Indeed, Gov. Jindal has said for months that one of the reasons he opposed the SLFPAE lawsuit is that he thought it threatened state and local governments' OPA claims against BP. Communities that are bringing these claims were hit hard by the Macondo oil spill. They're trying to recover just some of what they lost.

For example, in its OPA suit against BP, Jefferson Parish has alleged that it suffered:

1. Ecological damage
2. Damage to the quality of life of its citizens
3. Loss of sales tax revenues, use tax revenues, parish tax revenues, inventory tax revenues, hotel and motel tax revenues, reverence tax revenues, royalties, rents and fees
4. Increased costs of providing services to the citizens of the Parish of Jefferson
5. Damage to the natural resources of the Parish of Jefferson
6. Increased costs for the monitoring of the health of its citizens and the treatment of physical and emotional problems related to the oil spill
7. Costs for educating and retraining employees

8. Increased promotional costs
9. Increased costs to borrow money
10. Increased costs for debt service
11. Loss of fees for permits and licenses
12. Loss of fines and forfeitures income
13. Increased administrative costs
14. Damages to the reputation and image of claimants in the business and tourism communities

Because SB 469 works retroactively, it could undo all of these claims. Did Gov. Jindal know that when he pushed SB469 in the Legislature?

SB 469 also would give BP a new tactic to use against similar claims brought by the state itself - as well as by local governments and political subdivisions all across the state. Shouldn't that give our governor pause, as he prepares to sign SB 469?

And, that's not all. If Gov. Jindal signs SB 469 into law, the bill also would, of course, apply prospectively. So if, say, one of the supertankers offloading at the state's offshore oil port caught fire and started pouring oil into Lafourche Parish, or if a major pipeline in Plaquemines Parish ruptured, or an oil rig anywhere in state coastal waters blew up, as BP's Deepwater Horizon did, then no parish or city that was affected would be able to bring a claim for economic losses, not even if it cost taxpayers millions - or billions - of dollars.

Our state produces nearly 1.25 million barrels of crude oil *per day*. It hosts the world's only offshore superport for oil and gas tankers. It is criss-crossed by more than 100,000 miles of oil and gas pipelines. Does Gov. Jindal really want to sign a law that could immunize the oil and gas industry from paying for economic losses caused by any oil spill (however reckless the behavior) in the state's coastal zone?

In the opening week of hurricane season, Gov. Jindal should think hard about the terrible risk such an unprecedented law will impose on Louisiana's fragile coastal communities. Whatever one thinks about SLFPAE's lawsuit, such expansive action cannot be justified. It's like bombing the Gulf of Mexico to catch a single snapper. The governor should veto SB 469 and send lawmakers back to their camps.

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