



ENVIRONMENT

Mother Jones Online / By Kate Sheppard

22 COMMENTS

Congressman: BP "Openly Blackmailing the American Government"

BP now claims they can't possibly be able to compensate all the victims of the Deepwater Horizon spill without the government giving them more drilling permits.

September 8, 2010 | BP wants the federal government to meet its demand for continued access to oil and gas leases in the United States. If the oil giant can't keep drilling here, its promise to compensate victims of the Deepwater Horizon disaster might go unfulfilled—or so the company claims.

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BP's fear-mongering is directed at the [House-passed spill bill](#) (officially known as the CLEAR Act), which would bar companies who repeatedly violate safety and environmental regulations from obtaining new leases to drill in US waters. If the CLEAR Act becomes law, BP is unlikely to get any new

leases in the near future.

But the idea that BP has to keep drilling in the Gulf in order to compensate victims is simply not true. According to its last quarterly report, BP's assets and investments are [valued at approximately \\$248.6 billion](#). The company has plenty of money. Unfortunately, the US government [set up the oil spill compensation fund](#) with BP's Gulf subsidiary, which in practice makes the \$20 billion fund reliant on keeping those operations profitable. BP is now using this to strong-arm the government—but only because the administration let it.

BP's behavior is riling a few in Congress. On Monday, Rep. Raul Grijalva (D-Ariz.) accused the company of "openly blackmailing the American government." The company, he said in a statement, "should be held responsible not just for the damage it caused, but for its consistently indifferent attitude to that damage."

Rep. Frank Pallone (D-NJ) [took to Twitter for his criticism](#): "BP threat to not pay damages if CLEAR Act is approved should be repudiated. Bill brings accountability & reforms to the leasing process."

The victims of the 1989 Exxon Valdez incident spent the next two decades fighting for meager payouts. The BP fund, a voluntary agreement between BP and the federal government, was set up to in the hope that Deepwater Horizon victims could avoid that fate. The fund should not become a tool for BP to push the federal government around. Unfortunately, that appears to be what it's already become.

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