



BP Settlement Summary

On July 2, agreements in principle were reached between BP Exploration and Production (BXP) and the US Government and five Gulf coast states to settle all federal and state claims arising from the 2010 Deepwater Horizon event.

Louisiana should stand to recover over \$10 billion in fines, penalties, and damages - the largest environmental settlement in US history. This settlement, five years after the disaster, eliminates years, perhaps even decades, of litigation and appeals, allowing Louisiana to begin diligently implementing the State Master Plan and mitigating for natural resource damages.

Louisiana has committed nearly all of the related funding to coastal restoration and natural resource mitigation, even going so far as to dedicate many of these funding streams by law or constitutional amendment.

Clean Water Act (CWA) \$5.5 billion

- » Louisiana : \$787 million* (equals 18%)
- » Texas: \$430 million
- » Mississippi: \$582 million
- » Alabama: \$599 million
- » Florida: \$572 million
- » Oil spill trust fund: \$1.1 billion
- » RESTORE Council: \$1.32 billion
- » NOAA Science: \$110 million

* Includes \$92 million for Louisiana coastal parishes and \$22 million for Louisiana's designated Center of Excellence

Natural Resource Damage Assessment (NRD) \$8.1 billion**

- » Louisiana: \$5 billion (equals 60%)
- » Texas: \$238 million
- » Mississippi: \$295 million
- » Alabama: \$295 million
- » Florida: \$680 million
- » Gulf Region-wide Projects: \$350 million
- » Open Ocean Projects: \$1.24 billion

** Includes \$1 billion previously allotted for early restoration efforts, and of that, \$368 million was allocated for Louisiana

-- Additional payments of \$350 million in NRD assessment costs, plus \$250 million in response costs, claims related to the False Claims Act, and royalties owed for the Macando well.

-- Additional \$232 million set aside for unknown future costs, and interest in NRD funds will come in Year 16

Economic claims: \$4.9 billion

- » Louisiana: \$1 billion
- » Texas: \$150 million
- » Mississippi: \$750 million
- » Alabama: \$1 billion
- » Florida: \$2 billion

-- Additional \$1 billion allocated for local government entities

Details

- The consent decree is to be formalized in approximately 60 days from announcement, with final authorization by all parties at the end of 2015, or early 2016.
- CWA and NRD are scheduled to start 12 months after agreements are final, and are over 15 years.
- Economic damages are payable over 18 years.
- Total payments for NRD, CWA, and economic claims will be made at the rate of approximately \$1.1 billion for the majority of the payment period
- Agreements in principle are subject to the execution of definitive agreements, including:
 - a Consent Decree with the US and Gulf States with respect to CWA and NRDA
 - Subject to public comment and court approval
 - Conditional approval upon final court approval of Consent Decree and local government release
 - a settlement agreement with five Gulf states with respect to the State and local claims for economic and property losses
 - release agreements with local government entities
- Does NOT cover the remaining costs of the 2012 class action settlements for economic and property damage and medical claims to *individuals* and *businesses* along the Gulf Coast.

Other settlements

- MOEX agreed to \$90 million settlement in April 2011, with \$6.75 million going to Louisiana.
- \$4.5 billion settlement of the criminal fine was reached in November 2012 between BP and Transocean to the Federal Government, with \$2.4 billion going to the National Fish and Wildlife Foundation (NFWF), and of that, \$1.2 billion to Louisiana, specifically for barrier islands and diversions. A \$1.4 billion criminal and civil fine settlement was reached with Transocean in January 2013. Of that, \$800 million will be allocated through the RESTORE Act and \$150 million to NFWF.

BP Gulf-wide Payout Schedule

Year after consent decree	Civil Penalty payments	Natural Resource Damage payments	NRD additional final payment	State Claims Payments
0				\$1,000,000,000
1	\$379,310,345	\$489,655,172		
2	\$189,655,712	\$244,827,586		
3	\$379,310,345	\$489,655,172		\$260,000,000
4	\$379,310,345	\$489,655,172		\$260,000,000
5	\$379,310,345	\$489,655,172		\$260,000,000
6	\$379,310,345	\$489,655,172		\$260,000,000
7	\$379,310,345	\$489,655,172		\$260,000,000
8	\$379,310,345	\$489,655,172		\$260,000,000
9	\$379,310,345	\$489,655,172		\$260,000,000
10	\$379,310,345	\$489,655,172		\$260,000,000
11	\$379,310,345	\$489,655,172		\$260,000,000
12	\$379,310,345	\$489,655,172		\$260,000,000
13	\$379,310,345	\$489,655,172		\$260,000,000
14	\$379,310,345	\$489,655,172		\$260,000,000
15	\$379,310,345	\$489,655,172		\$260,000,000
16			\$232,000,000	\$260,000,000
17				\$260,000,000
TOTALS	\$5.5 billion	\$7.10 billion	\$0.23 billion	\$4.90 billion