

## OIL SPILL COMPENSATION ACT OF 2010

**Establishes the Office of Deepwater Claims Compensation:** The claims resolution process provided in this bill would not supplant the ongoing OPA '90 process, which would continue to provide immediate financial assistance to claimants, but would provide the option for an expedited process outside the court system whereby all claims for economic damages from the Deepwater Horizon incident would be adjudicated by an independent Administrator and paid by the responsible parties on a timely basis.

The Administrator is appointed by the President, subject to confirmation by the Senate.

Provides for Claimant assistance and interim personnel and authorities for the Office, pending the appointment and confirmation of the Administrator. provides authority for the Administrator to issue subpoenas, administer oaths, require the production of evidence, and request assistance from other government agencies.

Establishes an Advisory Committee composed of members representing claimants, the responsible party, and experts in relevant fields, as well as claims compensation.

Provides Compensation Procedures, including that a claim must be filed in a timely manner, and prove, by a preponderance of the evidence, that a claimant has suffered damages as a result of the Deepwater Horizon incident.

Provides that a claimant shall not be required to prove that the damages to be recovered resulted from the negligence or fault of any person. The Administrator makes eligibility determinations, subject to an expedited appeals process a five year statute of limitations.

Provides for payment of awards by the responsible parties within 30 days.

**Establishes a Commission to examine and report on the causes of the Deepwater Horizon incident,** and make findings, conclusions and recommendations for corrective measures that may be taken to prevent similar incidents. Commission has subpoena power and is bipartisan as assigned by Majority and Minority Congressional leadership.

**Increases Liability limits and Oil Spill Liability Trust Fund** to provide authority to the President to conduct a rulemaking to establish strict liability limits for incidents occurring from offshore facilities after the date of enactment of this Act. This section provides factors that shall be taken into account with regard to the determination, including the availability of payments from the oil industry under this section.

Strict liability factors: the water depth of the lease; the minimum projected well depth of the lease; the proximity of the lease to oil and gas emergency response equipment and infrastructure; the likelihood of the offshore facility covered by the lease to encounter broken sea ice; the record and historical number of regulatory violations of the leaseholder under the Outer Continental Shelf Lands Act or the Federal Water Pollution Control Act (or the absence of such a record or violations); the estimated hydrocarbon reserves of the lease; the estimated well pressure, expressed in pounds per square inch, of the reservoir associated with the lease; the availability and projected availability of funds in the Oil Spill Liability Trust Fund established by section 9509 of the Internal Revenue Code of 1986; other available remedies under law; the estimated economic value of nonenergy coastal resources that may be impacted by a spill of national significance involving the offshore facility covered by the lease; whether the offshore facility covered

by the lease employs a subsea or surface blowout preventer stack; and the availability of industry payments for damages beyond individual liability as established by this Act.

Provides that **an incident that results in claims above the limits for individual liability set by the President shall be paid by all other entities operating offshore facilities** the date of the incident. (Resembling Snowe Amendment and Price-Anderson.)

**Authorizes the President to make advance payments to from the Oil Spill Liability Trust Fund** to state and local subdivisions for actions taken to prepare for and mitigate substantial threats from the discharge of oil.

**Raises the tax for the Oil Spill Liability Trust Fund to 21 cents** per barrel, as necessary to quickly bring the trust fund to a \$10 billion level.

**Eliminates the caps on expenditures from the Oil Spill Liability Trust Fund** and provides authority for the Fund to borrow up to \$10 billion from the Treasury. Any amounts borrowed will be repaid from the proceeds of the per barrel tax.

**Reauthorizes, updates, and expands** oil spill research through the existing Interagency Coordinating Committee on Oil Pollution Research, providing additional funding for both the Committee and Regional Research Programs.

Provides authority for the Chairman of the Coordinating Committee on Oil Pollution Research to work with the National Academy of Sciences to assess the status of oil pollution research and evaluate the recommendations and plan of the Committee.

Increases the authorization for appropriations for the United States Coast Guard to \$50,000,000 for expenses for oil spill response under the Oil Pollution Act of 1990.

Provides authority for the Coast Guard to authorize the use of dispersants for response to oil spills.

**Revenue sharing from outer Continental Shelf areas in certain coastal States.**

Acknowledges the clear and present risks and impacts to coastal states which elect to participate in oil and gas development off of their shores by directing 37.5% of outer Continental Shelf oil and gas revenues to states and affected communities. Of this amount, 20% is directed to affected coastal political subdivisions in accordance with the Gulf of Mexico Energy Security Act of 2006. Additionally, 12.5% of all revenues are directed to the chronically underfunded Land and Water Conservation Fund. All revenues to the Federal Treasury under the Act would be devoted to deficit reduction.

Extends coastal revenue sharing for oil and gas development to the State of Alaska, directly accounting for Alaska's affected Native communities.

Accelerates revenue sharing for producing states in the Gulf of Mexico under the Gulf of Mexico Energy Security Act of 1996. Revenue sharing begins in 2010 instead of 2017.

**Gulf Regional Citizen's Advisory Council** establishes 23 member council with authority to make recommendations for government and industry practices. Voting representatives from stakeholder industries and local governments; non voting reps from stakeholder states and federal agencies.

**Finally, the bill restricts the transport of oil produced in Alaska's OCS planning areas to pipelines** rather than tankers.