LEGAL ISSUES AFTER A SPILL
Offshore Drilling: JULY 2015
SOURCES FOR LEGAL REMEDIES

Common Law
- Nuisance
- Negligence

Federal Law
- Oil Pollution Act

State Law
Common Law remedies

- Violation of standard of care
- "Speaks for itself" doctrine
- Damages of various kinds
  - Property
  - Revenue
  - Other (quality of life)
Federal Law: Oil Pollution Act

- Enacted in response to Exxon Valdez
- Imposes liability for oil spills, including costs of removal of oil and damages to natural resources, property, & profits
- Absent gross negligence (Deepwater), limits liability for damages to $ 75 M
State Law

- NC Constitution
- Public Trust Doctrine
- NC laws regulating water pollution
  - Oil Pollution Control Act
Possible scenarios

- Public v. responsible party
- Public v. governments
Public v. responsible party

- Two divergent roads
- Exxon approach
- BP approach
Exxon approach

- Valdez spill 1989
- Initial Litigation (32,000 plaintiffs)
- Jury verdict 1994 = $5 billion
- Further Litigation
- Supreme Court ruling 2008 = $1 billion
BP approach

- Deepwater spill 2010
- Initial Litigation (by US and public)
- BP makes initial remedy funds available
- BP pays $40+ billion to affected persons
- Further Litigation (77 cases)
- BP settles with USA and states for $18 billion