

**Remarks by Senator Lisa Murkowski (R-AK) on Senate floor
May 13, 2010
From C-SPAN transcript**

I do reserve the right to object, and i'd like to take just a few minutes here this afternoon to explain why i will be objecting to this unanimous consent request.

Now, i've sat and listened to my three colleagues here and i have great empathy for the concern that you share.

I share it as well.

I represent a state that was devastated about 20 years ago -- a little more than 20 years ago when the exxon valdez hit the rocks.

We lived with oil on our beaches.

We know the economic impact.

We know the social economic that a spill can cause.

And we want to all be working together to ensure that whether it's the devastation that you see in your hotels in florida or whether it is -- it is the loss to the fishermen, that we ensure -- that we ensure that those that are responsible pay for the economic loss, for the damages that are incurred.

We're with you on this.

But the reason i stand and object at this point in time is i don't believe that taking the amount of the cap, if you will, the liability cap from \$75 million, where it is currently, to a \$10 billion in strict liability, 133 times the size of the current strict liability limit, is where we need to be right now.

And i'm not just the only one that suggests that maybe we need to understand a little bit better as to how much we might need to look at raising the limit.

The administration just yesterday in their oil spill legislative package have proposed an effort -- their proposal as a state would raise the cap liability for the responsibility parties.

The administration looks forward to working with congress to develop levels for the various caps that provide for substantial and proportional increases.

If the senator will just allow me just a couple minutes to conclude this i would be happy to yield the floor.

I do think that we need to look at the liability cap and consider raising it.

But I think we need to be careful about unintended consequences, of picking a number -- \$10 billion.

Let me just outline what I'm talking about when I say "unintended consequences." This has been named "the big oil bailout prevention liability act." but I think you've got some irony here in that what this would do is give all of America's offshore oil resources to the biggest of big oil.

It would be impossible or perhaps close to impossible for any energy company that is smaller than the supermajors, smaller than the national oil companies, to operate in the O.C.S.

\$10 billion in strict liability would preclude their ability to obtain financing, to obtain the bonds, or insurance for any exploration.

And look at who is producing in the offshore?

It's the independents.

They produce two-thirds of natural gas, one-third of the oil.

So if we move forward with this in raising this liability cap to \$10 billion, the only companies that are going to be able to self-insure against this level of strict liability are the national oil companies, the supermajors -- and we all know who they are - they're the Saudi, Aramco, and of course British Petroleum.

But it's been mentioned a couple of different times now that we need to ensure that B.P. as the responsible party pays, and the comment has been made, well, \$75 million just is not going to be sufficient.

I think what people need to remember is that \$75 million -- the cap on the strict liability only applies to what the responsible parties have to pay back in the context of O.P.A. -- the oil pollution act. The law expressly allows for unlimited damages.

You've got unlimited damages in state courts where the compensatory, the punitive damages are already being sought as we speak.

As we speak, the Louisiana shrimpers filed a class action lawsuit against B.P., Transocean, Halliburton and Cameron for their economic losses and alleging negligence and seeking both economic and punitive damages.

I think state of Florida on May 10 announced they filed a suit against B.P.

On may 12, the fishermen filed another such lawsuit in mississippi, recognizing that again they have the ability to go after unlimited damages in those forums.

So again, mr. President, i am open to raising the liability cap, but we've got both a directive from the white house and the american people -- who i believe still support offshore drilling -- we need to adjust these liability caps in a way that doesn't give the biggest oil companies a monopoly over the entire o.c. svment with that, mr. President, i would object to the unanimous consent at this time.