Judge Urged To Approve BP Settlement

MICHAEL KUNZELMAN,Associated Press

NEW ORLEANS (AP) — BP and attorneys for businesses and people who lost money in the Gulf oil spill urged a federal judge Thursday to give his final approval to a class-action settlement.

U.S. District Judge Carl Barbier heard arguments from lawyers who negotiated the deal as well as other attorneys who have objected to parts of it. BP PLC estimates it will pay $7.8 billion to the resolve claims, but the settlement is not capped and BP could pay out more or less.

Barbier, who has hinted he won't immediately rule, said the hearing was designed to help him determine if the settlement is "fair, reasonable and adequate" and that he doesn't have the authority to rewrite or renegotiate it.

Barbier preliminarily approved the agreement in May. Since then, thousands of people have opted out of the deal to pursue their claims individually. BP attorney Rick Godfrey said fewer people opted out than the company had expected.

Jim Roy, a lead plaintiffs' attorney, said the settlement could resolve more than 100,000 claims.

"This settlement provides the class with an opportunity to try to put this behind them and get on with their lives," he said.

BP has agreed to pay $2.3 billion for seafood-related claims by commercial fishing vessel owners, captains and deckhands. The amount is nearly five times more than the average industry revenue between 2007 and 2009, Godfrey said.

"It was a generous program, and it was designed to account for future risk," Godfrey said.

Joel Waltzer, one of the plaintiffs' attorneys who filed an objection, said the seafood program doesn't adequately compensate some kinds of commercial fishermen.

"We don't need to hit a homerun, but we need to get on base," he said. "It doesn't justify the rights that they're giving up."

Barbier told Waltzer he was "too focused on what somebody else is getting compared to your clients."

"You're comparing apples to oranges," the judge said.

The agreement also calls for paying medical claims by cleanup workers and others who say they suffered illnesses from exposure to the oil or chemicals used to

disperse it. In addition, BP has agreed to spend $105 million over five years to set up a Gulf Coast health outreach program and pay for medical examinations.

The settlement doesn't resolve separate claims brought by the federal government and Gulf Coast states against BP and its partners on the Deepwater Horizon drilling rig. Those claims involve environmental damage from the nation's worst offshore oil spill.

It also doesn't resolve claims against Switzerland-based rig owner Transocean Ltd. and Houston-based cement contractor Halliburton.

A trial next year is designed to identify causes of BP's well blowout and assign percentages of fault to the companies involved in the disaster.

The April 2010 blowout of BP's Macondo well triggered an explosion that killed 11 rig workers and spilled more than 200 million gallons of oil into the Gulf.

In the aftermath, BP created a $20 billion compensation fund for Gulf Coast residents and businesses. The Gulf Coast Claims Facility paid out more than $6 billion to about 221,000 claims before a court-supervised administrator, Patrick Juneau, took over the process earlier this year. BP agreed to continue paying claims as Barbier decides whether to approve the settlement.

Juneau said his team has received more than 79,000 claims and made offers to claimants worth a total of more than $1.3 billion as of Tuesday. Roughly 95 percent of people who received offers have accepted them, Juneau added.

BP agreed to pay up to $600 million in fees, costs and expenses to a team of plaintiffs' attorneys who brokered the settlement.

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