



Clean Energy Jobs ^{and} Oil Company Accountability Act

Oil Spill Liability Trust Fund

Background

The companies that caused the oil spill in the Gulf of Mexico are responsible for all of the costs of cleanup and up to \$75 million of additional damages. These companies are responsible for all additional damages if they are found to be grossly negligent, to have engaged in willful misconduct, or to have violated an applicable Federal safety, construction or operating regulation. To the extent that costs are not borne by the parties responsible for the spill, up to \$1 billion per incident (including up to \$500 million of natural resource damage assessments) can be offset by the Oil Spill Liability Trust Fund.

The Oil Spill Liability Trust Fund is financed by an 8¢ per barrel tax imposed on the oil industry. In order to ensure that individuals, businesses and communities that suffer damages as a result of oil spills are not left uncompensated, the bill would increase the \$1 billion per incident limit on the Oil Spill Liability Trust fund expenditures to \$5 billion (including up to \$2.5 billion of natural resource damage assessments).

Need

The maximum amount of money that may be withdrawn from the Fund is \$1 billion per incident and there is approximately \$1.5 billion in this trust fund. The nonpartisan Congressional Research Service has stated, “a major spill, particularly one in a sensitive environment, could threaten the viability of the fund.”

Legislation

The Clean Energy Jobs and Oil Company Accountability Act would increase the \$1 billion liability cap of the Oil Spill Liability Trust Fund to \$5 billion and increase the amount that oil companies are required to pay into the Oil Spill Liability Trust Fund to 45 cents per barrel to ensure the continued solvency of this fund.