

BP Sues to Get New Contracts After Oil Spill

HOUSTON (AP) — BP on Monday sued the U.S. government over a decision to bar the oil giant from getting new federal contracts to supply fuel and other services after the company pleaded guilty to manslaughter and other criminal charges related to the 2010 Gulf of Mexico oil spill.

BP is seeking an injunction that would lift an order by the Environmental Protection Agency that suspends the company from such contracts.

The Houston Chronicle reported that the suspension by the EPA was first issued in November 2012 and it only affects new federal contracts and not existing ones.

The company was ineligible for new contracts worth up to \$1.9 billion to provide fuel to the federal government this year because of the suspension. BP has been a major supplier of fuel to the U.S. military.

The newspaper reported the company said in court papers filed in Houston federal court that the EPA's decision to suspend the company from such contracts and its continued enforcement of that order is arbitrary, capricious and "an abuse of discretion."

BP said in its court filing that the EPA order, which includes 21 different BP entities, was continued by the agency just last month after BP lost an administrative challenge to the suspension.

An EPA spokesman declined to comment on BP's court action, referring questions to the Justice Department, which also declined to comment.

The well blowout that caused the spill killed 11 workers on the Deepwater Horizon oil rig and led to millions of gallons (liters) of oil spewing into the Gulf.

BP agreed in November to plead guilty to charges involving the workers' deaths and for lying to Congress about the size of the spill from its broken well, which spewed more than 200 million gallons (757 million liters) of oil. Much of it ended up in the Gulf and soiled the shorelines of several states.

A federal judge in New Orleans in January accepted BP's guilty plea, which also included the company paying a record \$4 billion in penalties.

The second phase of a trial in New Orleans on civil claims against BP related to the oil spill is set to begin Sept. 30.

Information from: Houston Chronicle, <http://www.houstonchronicle.com> [1]

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