BP Gets Closer To EPA Agreement

JANET McCONNAUGHEY, Associated Press

NEW ORLEANS (AP) — The head of BP America Inc. says he believes the company is moving closer toward once again being allowed to bid on federal contracts.

Company president and CEO John Minge said Wednesday — without giving details — that he thinks an agreement might be reached with the U.S. Environmental Protection Agency and Department of Justice.

"We're working with EPA. I think we're getting closer to an agreement," Minge said in a speech to the Louisiana Mid-Continent Oil and Gas Association. Minge did not take questions after speaking.

The EPA referred a request for comment to the Justice Department, which declined to comment.

The Obama administration suspended BP's ability to get new federal contracts in late November 2012, after it pleaded guilty to criminal counts resulting from the Deepwater Horizon disaster in the Gulf of Mexico in 2010 that killed 11 men and spilled millions of gallons of oil into the gulf.

After Gulf Coast states rejected a settlement to both civil and criminal charges, Minge said, federal lawyers "gave us a criminal plea agreement, gave us a very short time to review it and sign it. ... We looked at the fact that no company survived an indictment like that and looked at the risks and agreed to the criminal plea agreement. We pleaded guilty and we are guilty of the 12 felonies and two misdemeanors."

Federal lawyers also said they couldn't guarantee anything but would support BP in talks about EPA suspensions, Minge said.

The federal suspension keeps BP from new joint ventures to drill in areas where an oil or gas deposit overlaps one or more areas leased by other companies, and from other types of federal contracts. BP was the federal government's largest supplier of aviation fuel in 2011, according to company spokesman Jason Ryan. In September 2012 alone, it signed two one-year contracts worth nearly $1.4 billion, according to federal contracting announcements. Those contracts, like others signed before the suspension, remained in effect.

Minge (pronounced min-JAY) said the company had expected time to work out an agreement with the EPA, which blocks new contracts with companies that violate the Clean Water Act.

He said officials at the company were shocked to get notice about 10 days after the

plea that every BP business in the country was barred from new federal contracts, rather than just those doing business in the Gulf of Mexico.

The first agreement proposed by federal lawyers was 82 pages — about three to four times longer than most such agreements, he said.

"I read it. It was one of the first things that I did on the job when I came in," said Minge, who has held the job for about a year. "I concluded that if we signed that agreement we'd be more likely to have another accident than less likely. Or it would make us completely noncompetitive, so why bother."

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