

BP reached cozy settlement with Mexico on Deepwater spill: watchdog

September 29 2018



BP secretly negotiated to pay Mexico \$25.5 million over the 2010 Deepwater Horizon oil spill—a fraction what it paid in the United States, according to the watchdog group PODER

British Petroleum struck a deal with the Mexican government to pay a vastly reduced fine for environmental damage caused by the 2010 Deepwater Horizon oil spill, a watchdog group alleged Friday.

According to PODER, a corporate transparency group, BP secretly negotiated to pay Mexico \$25.5 million—a fraction what it paid in the United States—even as it invested hundreds of millions in President Enrique Pena Nieto's prized project, the reopening of the Mexican energy sector to foreign firms.

"The Mexican government always preferred to reach an out-of-court settlement with the company, ignoring the interests of the fishing communities that were affected," said PODER, a Mexico City- and New York-based organization that carried out a two-year investigation of the secret negotiations together with US news site BuzzFeed.

The Deepwater Horizon drilling rig exploded in the Gulf of Mexico on April 20, 2010, spilling 793 million liters of oil.

The disaster coated huge stretches of coastline in black tides in both the United States and Mexico, and lethally covered tens of thousands of animals in oily muck.

In the United States, the British firm has paid out more than \$60 billion in damages.

But in Mexico it struck a deal to pay less than one-half of one percent of that figure, even as it simultaneously became a key player in the massive energy privatization launched by Pena Nieto in 2013, according to the report.

BP has been an active participant in Mexico's newly launched oil auctions, which have raised more than \$100 billion in promised

investment. The company has won five blocks so far.

It was also the first foreign firm to open petrol stations in Mexico under the reform. It currently has 279 across the country, and plans to open 1,500 total over five years.

Government communications obtained by PODER and BuzzFeed showed that BP had explicitly linked "good business" with a "friendly" settlement deal in conversations with Mexican officials.

"BP reiterated its interest in reaching a friendly and final resolution to the conflict, given the good business environment in Mexico," said a brief on a meeting between BP executives and the Mexican foreign ministry on August 18, 2017, six months before the settlement was reached.

The Mexican president's office did not immediately respond to a request for comment from AFP.

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Citation: BP reached cozy settlement with Mexico on Deepwater spill: watchdog (2018, September 29) retrieved 25 April 2024 from <https://phys.org/news/2018-09-bp-cozy-settlement-mexico-deepwater.html>

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