



STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR

HALEY BARBOUR
GOVERNOR

July 28, 2010

Via Hand-Delivery

Attorney General Jim Hood
Office of the Attorney General
Walter Sillers Building
550 High Street
Jackson, MS 39201

Dear General Hood:

Although 100 days have passed since the Deepwater Horizon well exploded, resulting in the loss of eleven lives, four of whom were from Mississippi, I am relieved that the well has been capped now for thirteen days with no new oil spilling into the Gulf of Mexico. As we move forward from this disaster, a complete assessment of the damages to the Coast and state waters, both ecologically and economically, is certainly in order. Trudy Fisher, Executive Director of the Mississippi Department of Environmental Quality (MDEQ) and Trustee of Natural Resources for the State of Mississippi, has kept me advised of the ongoing damage assessment that she and her teams of scientists and environmental lawyers are managing on behalf of the State. I have complete confidence in Trudy's experience and expertise as well as the team she has assembled to accurately assess the damages to Mississippi's natural resources and to recover those damages from the responsible party, BP, in order to restore the natural habitats, the plant and animal species, the beaches and other natural resources of the State. A team of economists at our Institutions of Higher Learning, with the help of the Mississippi Department of Revenue, Mississippi Department of Employment Security, and other state agencies, has begun the work of assessing the economic damage, including lost tax revenue, to our State and the people of the Gulf Coast. Literally, some of Mississippi's best and brightest are working on this effort.

The Oil Pollution Act's Natural Resource Damage Assessment process provides an orderly system for the recovery of damages to the natural resources of the State of Mississippi. Alaskans, on the other hand, did not have the benefit of the Oil Pollution Act, which Congress passed one year after the Exxon Valdez disaster. Once the State of Alaska decided to sue Exxon for recovery of damages to the natural resources of the

state, Exxon ceased paying claims. With the onset of litigation, all claims were tied up in court; and, thus, claimants, including the State of Alaska, were not paid for years.

The State has received over \$65,000,000 in grants from BP thus far – \$50,000,000 for oil spill related costs incurred by the local and state governments, and \$15,000,000 to pay for advertising and marketing of the Mississippi Gulf Coast region as a tourism destination. In addition, under the current BP claims process, and soon-to-be independent claims process under Ken Feinberg, nearly 8,500 claims have been paid in Mississippi, totaling close to \$22,000,000, in the 100 days since the oil rig explosion.

I recognize that some claims are still pending, and delays in payment may currently exist, but Feinberg has committed that once he takes over the claims process and administers the \$20 billion fund his first two priorities will be to cut bigger checks and to send them out faster. Clearly, we need to let this process work for all Mississippians. Given the number of claims, it is highly unlikely that all claims will be resolved without the need for litigation. However, if you sue BP now, then, as happened in Alaska, the process that is currently paying claims on a regular basis may grind to a halt. Undoubtedly, filing suit against BP now is not in the interests of Mississippi and its fishermen, shrimpers, and charter boat captains, to name a few. I want those people and businesses with legitimate claims to recover their rightful damages; I want the State of Mississippi to recover for its economic losses and damages to restore any natural resources damaged by the spill. Premature litigation would benefit a handful of plaintiff lawyers in the long term but likely harm claimants who would otherwise be paid in the near term.

I urge you to put the best interests of the State of Mississippi first and foremost and refrain from suing BP until such time, if ever, an impasse with BP makes such suit absolutely essential.

Sincerely,



Haley Barbour