

BETTY SUTTON ON THE COERCED TRANSOCEAN STATEMENTS

As you may have read, Transocean (the company that owns the Deepwater Horizon rig) made everyone rescued from the rig sign statements laying out whether they were involved in the incident, and whether they had gotten hurt.

Lawyers for the oil rig's owner, Transocean, requested that workers who had survived the blast sign the form in the wake of the April 20 blowout on the Deepwater Horizon. This was hours before the workers had been allowed to see their families.

Now some of those survivors say they were coerced and that the forms are being used against them as they file lawsuits seeking compensation for psychiatric problems and other injuries from the blast.

A couple of members of Congress asked Transocean's CEO about it yesterday, most pointedly Betty Sutton in this exchange.

Now, frankly, I think there may be some truth to Transocean's claim that they were trying to collect information with the form. This is a documentation-driven industry, and for a rig owner like Transocean, getting a sense of who was on the rig, what contractor they worked for, and what they were doing would be a concern. That said, given the lock-down they kept workers in until they signed these documents, I'd guess they were more interested in surveying precisely what information was out there so they could keep that information locked down as anything else. And the lockdown was certainly heartless and heavy-handed.

Besides, Transocean CEO Steve Newman had to have known yesterday that his company would move, today, to limit its liability in the disaster (albeit on different grounds).

Transocean Ltd., the owner and operator of the Deepwater Horizon drilling rig that burned and sank last month unleashing a massive oil leak into the Gulf of Mexico, will file in federal court Thursday a petition to limit its liability to just under \$27 million, according to a person familiar with the company's plans and a copy of the filing reviewed by Dow Jones Newswires.

The world's biggest offshore driller is filing the request in the U.S. District Court in Houston under a century-and-a-half-old law originally aimed at helping U.S. ship owners compete with foreign-flagged vessels. While the company may not succeed in limiting its financial liability, the filing could give Transocean an edge in what could be a lengthy, multipronged legal battle against claims for damages from the accident that killed 11 workers.

[snip]

Under the Limitation of Liability Act of 1851, a vessel owner is liable only for the post-accident value of the vessel and cargo, so long as the owner can show he or she had no knowledge of negligence in the accident, maritime lawyers say. The law was created in the days before modern insurance and communications technology, to help U.S. shipping businesses compete against foreign ship owners who were protected against claims. Drilling rigs count as vessels under U.S. maritime law, and since "the remains of the...Deepwater Horizon now lay sunken" about a mile deep in the federal waters of the Gulf of Mexico, the value of the rig and its cargo comes to no

more than \$26,764,083, Transocean claims in the filing. Before the accident, the rig was worth around \$650 million.

All of which makes me happy that Sutton gave Newman such a good ass-kicking at the hearing.

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