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**Opening Statement of
Chairman Doc Hastings
Before the House Committee on Natural Resources
Oversight Hearing on**

"Gulf Coast Recovery: President Obama's BP Compensation Fund, How Is It Working?"
Thursday, October 27, 2011 at 9:30 a.m.

Nearly a year and a half ago, President Obama called BP to the White House for a meeting that resulted in the President personally announcing an agreement to establish the \$20 billion Presidential - BP Compensation Fund. At the time the President assured those affected by the Deepwater Horizon disaster and oil spill that legitimate damages would be paid "quickly, fairly, and transparently."

When President Obama announced the appointment of Mr. Ken Feinberg as Administrator of the Compensation Fund, there was no doubt Mr. Feinberg had a difficult task ahead. The impact to the Gulf's local economy, as well as the environment, was very real and there are certainly many moving pieces involved in evaluating real damage to victims filing claims.

To date, nearly one million claims have been filed by over 500,000 claimants and while roughly 95 percent of all claims have been processed—which means rejected, accepted, or turned back to the claimant for more information—processed does not mean paid.

Of the over half a million claimants that have filed claims with the Gulf Coast Claims Facility, just a little over 200,000 have been paid—or almost 39 percent. Quite frankly, I've heard from many of my colleagues, on both sides of the aisle, from Gulf states that this number is simply unacceptable to the people whose livelihoods were disrupted by this disaster.

During the aftermath of the Deepwater Horizon, we constantly heard from President Obama that BP would be held 'fully responsible' for the damages in the Gulf. Yet, that is not the case with the claims filed with the Compensation Fund. Under the terms of the agreement agreed to and announced at the White House, BP appears to have no responsibility further than writing a check. When President Obama announced creation of the Compensation Fund, he accepted BP's \$20 billion, held a press conference, and exempted the company of responsibility to make certain Gulf families and small businesses were made whole.

In announcing this Fund, the President specifically heralded that it was to be an independent body, accountable to no one—the sole responsibility of Mr. Feinberg. However, the Congress

has an obligation to ensure that this fund is operating properly and fairly so that the people of the Gulf are made whole for the harm caused to them and that the economy of the Gulf is back up and running.

It's not absolutely clear if the Fund is actually under the jurisdiction of this or any Congressional Committee and as Chairman I appreciate the willingness of Mr. Feinberg to come and sit before the Committee today.

Today there is a large hole in proper oversight and accountability to ensure legitimate claims are getting the attention they deserve and that the process of administering payments is conducted in a timely manner. There is an appropriate effort in Congress to direct an open and transparent audit of the fund and I certainly hope and expect that the Fund will comply. And it can be expected that the Committee will continue to appropriately conduct oversight into the process, payments and operations of the Fund in order to ensure that there is a transparent and fair payment system.

This hearing is an opportunity to peer into a process that, for the most part, has flown under the radar of proper public oversight. We are pleased to have Mr. Feinberg as our witness and I look forward to hearing his comments and discovering if there is anything Congress can do to help make his job easier and get deserving, legitimate claimants their due compensation.