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Deepwater Horizon owner Transocean seeks liability limit

By MARY FLOOD Copyright 2010 HOUSTON CHRONICLE
May 13, 2010, 10:49AM

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Transocean, owner of the Deepwater Horizon rig that exploded and sank killing 11 and creating a growing oil spill, today filed a request in Houston federal court to limit its liability in the lawsuits filed against it to about \$27 million.

U.S. District Judge Keith Ellison was assigned the case this morning

Lawyers involved in the myriad of lawsuits filed against Transocean, rig leaser BP and others expect Transocean to take advantage of the Limitation of Liability Act, a maritime law that allows a vessel owner to limit liability to the value of the vessel and its freight.

The law dates back to the mid 1800s when it was passed to protect U.S. vessel owners, eliminating some risk in crisis situations and aiding competition with foreign ships.

"Transocean has compounded this terrible tragedy with a shameful legal filing that is intended solely to protect the company's interests," said Houston lawyer Kurt Arnold who has filed several lawsuits resulting from the offshore explosion.

"They haven't even said they're sorry, much less take responsibility. Now, they're running off to court in hopes of getting a ruling that will limit their liability to what is on the bottom of the ocean. I think the filing is completely frivolous," he said.

Lawyers involved in the litigation say that Transocean's request if successful could result in Ellis' court sucking up other litigation that names Transocean and stems from this same incident.

Some lawyers anticipating this move have filed parallel lawsuits, one against Transocean and another against BP, Cameron International and Halliburton for their various roles in the building, maintenance or use of the rig.

Lawyers on both sides of the case have already asked federal authorities to set up a multi-district litigation court to hear pre-trial matters on federal lawsuits stemming from the oil spill.

Plaintiffs lawyers in Louisiana have asked that pre-trial matters in spill related cases be heard by one of a handful of federal judges in New Orleans and BP has asked that the cases be heard by Houston-based U.S. District Judge Lynn Hughes.

mary.flood@chron.com

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libbys wrote:

If Transocean and the other firms are granted limited liability, guess who will pick up the tab for the mess? That's right folks. It will be you and me the taxpayer. Shame on Transocean, BP and Halliburton. These companies earn billions and yet they refuse to take responsibility for the ecological and economic devastation they have visited upon the Gulf region. How low and disgusting can they go? The U.S. Attorney General should fire any judge who grants these incompetent and irresponsible companies limited liability.

The mess is theirs. It does not belong to us.

5/13/2010 10:23:26 AM

Recommend: (99) (34)

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clcook2000 wrote:

It's always interesting to see those who normally shout for "free markets" (and this means most Texans) suddenly get inconsistent when the "free" applies to liability. But this points out the error of most "free market" thinking: corporations avoid many of the environmental costs they cause and instead let the public (and the planet) absorb the costs. That's a free ride, not a free market.

5/13/2010 10:35:18 AM

Recommend: (77) (14)

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MayorBee wrote:

Transocean is publicly held. In the interests of their shareholders, they must file for limited liability. If they don't, they can be sued by the shareholders for neglecting their fiduciary duties to the company. They shouldn't receive limited liability, however. They should be held responsible for every penny used in the cleanup effort. At this point, there is no way to return the ecosystem to the way it was before the spill, but they should still go to all lengths to try to get things as close as possible to the way things are.

5/13/2010 10:34:14 AM

Recommend: (76) (5)

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jane71 wrote:

I have to think that all of these liability limit laws have encouraged the apparent lack of safety. The federal cap for BP is \$75 Mil, which the Congress has never bothered to raise even though the law itself provides for increases (discussion of an increase was on Congress's agenda for 2011. Oops--too late). Shame on our government for compromising it's citizens in this way.

5/13/2010 10:37:56 AM

Recommend: (46) (8)

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TheGhostofJeffLynne wrote:

Um, Libby, wouldn't you want to do the same thing if you were in their shoes? Finding a liability limit keeps the frivolous lawsuits at bay.

Halliburton? Really dude? That's just pathetic. Get over your Bush Derangement Syndrome.

While I understand why they seek a liability limit I believe 27 million bucks is shockingly low

5/13/2010 10:31:40 AM

Recommend: (34) (25)

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sped6348 wrote:

Winski wrote:

The cost to Trans-ocean should be enough to put them into bankruptcy..AND then the punitive damages kick in.. They should be FORCED to pay for CENTURIES...

5/13/2010 11:12:10 AM

=====

Let's say they can quit paying when all ecological damage is back to normal. I hope that does not take centuries.

5/13/2010 11:46:08 AM

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Daveboss wrote:

I am pretty sure if there is no negligence then the company might be able to get away with the liability cap. However, if it is determined that the company was not in compliance with federal laws and regulations or was negligent in the maintenance of their equipment or in the performance of their duties and /or committed fraud then the liability cap should not apply. At least that is the way it is usually handled in most other cases.

5/13/2010 11:45:23 AM

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lvar wrote:

(0)

jane71 wrote:

I have to think that all of these liability limit laws have encouraged the apparent lack of safety. The federal cap for BP is \$75 Mil, which the Congress has never bothered to raise even though the law itself provides for increases (discussion of an increase was on Congress's agenda for 2011. Oops--too late). Shame on our government for compromising it's citizens in this way.

5/13/2010 10:37:56 AM

=====

Really its just like Medical malpractice limited liability, except there, your dealing with peoples lives, not just lives and other stuff like the environment.

5/13/2010 11:44:37 AM

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ForTheRecord wrote:

The law dates back to the mid 1800s when it was passed to protect U.S. vessel owners PROBLEM, Transocean is now a SWISS company, Since they moved out of the USA (TAX REASONS) .

The JONES act passed much later corrects the 1800 era law.

US Court district would be FIFTH.

5/13/2010 11:44:26 AM

Recommend: (1) (0)

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BOlgal wrote:

how can they seek a liability limit when the thing is still gushing oil? no one can guess what the end result will be in damages from this catastrophe!!

5/13/2010 11:42:38 AM

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