

**Alaska Inter-Tribal Council * Atchafalaya Basinkeeper * Center for Biological Diversity *
Defenders of Wildlife * Energy Action Coalition * Environment America * Friends of the Earth
US * Greenpeace USA * Labor Network for Sustainability * Louisiana Bucket Brigade * Ocean
Conservation Research * Public Citizen * Rainforest Action Network * Save the Manatee Club
* South Florida Wildlands Association * SustainUS * US Public Interest Research Group**

The Honorable Loretta Lynch
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

December 4, 2015

Dear Attorney General Lynch:

On behalf of our millions of members and supporters nationwide, we are concerned that the recently announced settlement between British Petroleum (BP), the Department of Justice, and the five states of the Gulf Coast would allow BP to push the costs of its recklessness onto taxpayers. As a final agreement emerges, BP must not be allowed to capture additional tax breaks from the ongoing tragedy of Deepwater Horizon.

The consent decree proposed on October 5, 2015 indicated that BP would be responsible for an estimated \$20.8 billion. However, the proposal only explicitly forbids the tax deduction of \$5.5 billion in Clean Water Act fines. Unless it is specifically forbidden in the final agreement, BP is likely to deduct the remaining \$15.3 billion as a business expense, thereby reducing its taxes by as much as \$5.35 billion. This would be an unacceptable giveaway for a disaster that a federal court found to be the result of "gross negligence."

Too many of our tax dollars have already gone to subsidize BP's disaster. For example, the \$32 billion it incurred in cleanup costs netted the company a tax windfall of \$10 billion. This need not be the case. When BP settled its share of the criminal liability for Deepwater Horizon, the Department of Justice clarified that no part of the \$4 billion fine could be claimed as a tax deduction. As you move towards finalizing the current settlement, we urge you to include language that is similarly precise.

Although the task of ending polluter subsidies in our tax code ultimately falls to Congress, the Department of Justice has wide latitude to pursue a settlement that specifically forbids the deduction of these payments. We encourage you to use it.

Respectfully,

Alaska Inter-Tribal Council
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