

**United States House of Representatives
Committee on Energy and Commerce
Subcommittee on Oversight and
Investigations
Tony Hayward
Chief Executive, BP plc
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Chairman Waxman, Chairman Stupak, Ranking Member Barton, Ranking Member Burgess, members of the Committee. I am Tony Hayward, Chief Executive of BP

The explosion and fire aboard the Deepwater Horizon and the resulting oil spill in the Gulf of Mexico

(INTERRUPTION)

The explosion and fire aboard the Deepwater Horizon and the resulting oil spill in the Gulf of Mexico never should have happened — and I am deeply sorry that they did.

When I learned that eleven men had lost their lives, I was personally devastated. Three weeks ago, I attended a memorial service for those men, and it was a shattering moment. I want to offer my sincere condolences to their friends and families — I can only begin to imagine their sorrow.

I understand how serious this situation is. It is a tragedy. I want to speak directly to the people who live and work in the Gulf region: I know that this incident has had a profound impact on your lives and caused great turmoil, and I deeply regret that.

I also deeply regret the impact the spill has had on the environment, the wild life and the ecosystem of the Gulf.

I want to acknowledge the questions that you and the public are rightly asking. How could this happen? How damaging is the spill to the environment? Why is it taking so long to stop the flow of oil and gas into the Gulf?

We don't yet have all the answers to these important questions. But I hear and understand the concerns, frustrations — and anger — being voiced across the country. And I know that these sentiments will continue until the leak is stopped, and until we prove through our actions that we are doing the right thing.

Yesterday we met with the President of the United States and his senior advisors. We discussed how BP could be more constructive in the government's desire to bring more comfort and assurance to the people of the Gulf Coast beyond the activity we've already done. We agreed in that

meeting to create a \$20 billion dollar claims fund to compensate the affected parties and pay for the costs to federal state and local governments of the clean up and environmental mitigation. We have said all along that we would pay these costs - and now the American people can be confident that our word is good.

I have been to the Gulf Coast. I have met with fisherman, business owners and families. I understand what they are going through and I promised them, as I am promising you, that we will make this right. After yesterday's announcement, I hope that they feel we are on the right track.

I am here today because I have a responsibility to the American people to do my best to explain what BP has done, is doing, and will do in the future to respond to this terrible accident.

First, we are doing everything we can to secure the well and – in the meantime – contain the flow of oil. We are currently drilling two relief wells. We believe they represent the ultimate solution. We expect this to be complete in August. Simultaneously, we have been working on parallel strategies to minimize or stop the flow of oil. While not all of them have met with success, it appears that our latest containment effort is now containing about 20,000 barrels a day. By the end of June, we expect to have equipment in place to handle between 40 and 50,000 a day and by mid July, 60 to 80,000 barrels a day.

Second, I have been clear that we will pay all necessary cleanup costs. We have mounted what the Coast Guard has recognized as the largest spill response in history. We've been working hard, under the leadership of the Unified Command, to stop the oil from coming ashore. And while we are grateful that these efforts are reducing the impact of the spill, any oil on shore is deeply distressing. We will be vigilant in our cleanup.

Third, as I have made clear from the beginning, we will pay all legitimate claims for losses and damages caused by the spill. Those are not just words. We have already paid out more than \$95 million, and we have announced an independent claims facility, headed by Ken Feinberg, to ensure the process is as fair, transparent, and rapid as possible.

Fourth, we need to know what went wrong so that we as a company and we as an industry can do better. That is why, less than 24 hours after the accident, I commissioned a non-privileged investigation . I did it because I

want to know what happened, and I want to share the results. Right now, it is simply too early to say what caused the incident. There is still extensive work to do. A full answer must await the outcome of multiple investigations, including by the Marine Board.

To sum up: I understand the seriousness of the situation and the concerns, frustrations, and fears that have been and will continue to be voiced. I know that only actions and results, not mere words, ultimately can give you the confidence you seek.

I give my pledge as the leader of BP that we will not rest until we make this right. We are a strong company, and no resources will be spared. We and the entire industry will learn from this terrible event and emerge stronger, smarter and safer. Thank You.