

## **The Scope of Liability for Damages to Private Party Claimants for Accidental Discharges of Oil and Hazardous Substances under United States Law**

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Two of the worst environmental disasters in American history involving accidental discharges of oil into the sea have put the spotlight on the matter of liability for damages to private-party claimants under United States Law. A good legal regime of liability for damages is essential to provide compensation to those affected by such accidents and to deter conduct that may cause such discharges in the future. The two incidents in question are the wreck of the oil tanker Exxon Valdez in Prince William Sound, Alaska, in 1989 and the Deepwater Horizon oil discharge into the Gulf of Mexico offshore Louisiana in 2010.

This paper will analyze current United States law on the topic of liability for damages and compare this law with relevant international law liability regimes that are in effect in most of the world. The Deepwater Horizon oil discharge will be presented as a case study of the law in operation. Particular attention will be given to the question of damages for what is termed “pure economic losses”, that is economic damages that are incurred without any accompanying damage to any property interest owned by claimants. Examples of such pure economic losses are losses of profits by fishermen who cannot fish because of contaminated fishing grounds and hotel and restaurant owners who lose money when the discharge causes people to cancel vacation plans.

Finally, suggestions will be made to improve the working of United States law and international law.

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