UT LAW CLE THE UNIVERSITY OF TEXAS SCHOOL OF LAW

PRESENTED AT

3rd Annual Government Enforcement Institute

September 29-30, 2016
Houston, Texas

When Bad Things Happen to Good Companies: Managing Catastrophic Environmental Risks

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The Legal Intelligencer
THE OLDEST LAW JOURNAL IN THE UNITED STATES 1843-2016
PHILADELPHIA, TUESDAY, JULY 26, 2016
An ALM Publication

ENERGY AND ENVIRONMENTAL LAW

Core Principles of Environmental Crisis Management

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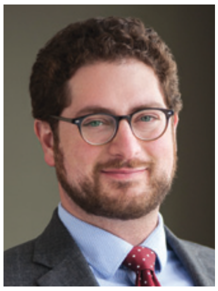
Special to the Legal

Despite best efforts, environmental accidents happen to good companies. When they do, the results can be catastrophic to public health and the environment, to a company's reputation, and to its ability to survive and prosper.

Most companies prepare and maintain elaborate emergency response plans to address the harm to public health and the environment caused by an environmental crisis, but few are prepared for the strategic and management challenges that follow. This is where most post-crisis mistakes are made and where effective planning can help. To prepare, a company must first understand the core principles of legal crisis-management and then develop a management response plan to guide it through the crisis. Several of the more important principles are set out below.



Morgan Lewis & Bockius partners **Jim Dragna and Randall Levine** *have worked on several high-profile environmental crisis matters, and are part of the firm's crisis-management team. Dragna serves as coordinating counsel for Anadarko Petroleum Corp. in connection with all related matters arising from the Deepwater Horizon oil spill, and SoCalGas in connection with the Aliso Canyon natural gas leak. Dragna and Levine are involved in all the stages of these matters, including post crisis-management.*

PRINCIPLE 1: KNOW THE STAGES OF AN ENVIRONMENTAL CRISIS SCENARIO

Major environmental crisis scenarios follow a similar life cycle. The first stage, and by far the stage with the highest priority, is the response effort to bring the crisis under control. This may involve working with responsible local, state, and federal government agencies to stop the leak, cap the well, put out the fire, and take whatever action is needed to protect people and the environment.

Most companies prepare and maintain elaborate emergency response plans to address the harm to public health and the environment caused by an environmental crisis, but few are prepared for the strategic and management challenges that follow.

Second are efforts to mitigate and remediate the disaster's harmful impacts. Mitigation and remediation efforts often begin even before the spill, leak, or release has been controlled, and may extend long after the crisis has ended.

Also available as part of the eCourse
2016 Government Enforcement eConference

First appeared as part of the conference materials for the
3rd Annual Government Enforcement Institute session
"When Bad Things Happen to Good Companies: Managing Catastrophic Environmental Risks"