4.12 External Validity: BP Clean-up Expenditures and Economic Damage Compensation

The clean-up activities and compensation for economic damages provided by BP could counter at least some of the impacts of lost income on economic activity. BP’s expenditures in the Gulf States for damage compensation and clean-up were quite significant. By June 1, 2010, BP reported spending nearly a billion dollars for clean-up, and the clean-up tab increased to more than $3 billion by July 5. On September 17, BP reported clean-up spending of nearly $10 billion.