



Akin Gump Hosts 2015 Mid-Year Global Energy Industry Briefing

Aug 11, 2015

Reading Time : **1 min**

The panel comprised oil and gas partners Chris LaFollette and Tom McCaffrey, tax partner Alison Chen, financial restructuring partner Sarah Schultz, litigation partner Justin Williams and public law and policy partner Hank Terhune and senior policy advisor Ryan Thompson. The program was moderated by Rick Burdick, chair of Akin Gump's global energy and transactions group.

The program began with LaFollette and Chen discussing master limited partnerships (MLPs). LaFollette addressed the recent case *In re El Paso Pipeline Partners*, which she described as "the first in which a dropdown transaction gave rise to liability – the general partner was found liable for \$171 million of damages in connection with its breach of the MLP partnership agreement." Chen discussed new IRS guidance for MLPs, including some of the proposed regulations on qualifying income.

McCaffrey and Schultz talked about U.S. energy restructuring considerations for corporate directors and officers and the steps companies should take before any restructuring decisions are made. They suggested obtaining D&O insurance as a way to protect a company's officers. They also advised that, amid any board turnover, a company should hire someone with restructuring experience, which is often welcomed by lenders. Additionally, for those in the oil and gas industry who are considering restructuring, the two speakers said it is very important to retain someone with experience in this area, as it is very specialized with contract functions that are unique.

Williams talked about the falling price of oil, noting the correlation with the rising risk of transactional disputes. He noted that various tribunals, including the London Court of International Arbitration and the International Chamber of Commerce, have a significantly

disproportionate number of cases involving the oil and gas sector. Among the reasons he cited were big upfront E&P investments, joint ventures having to share the cost and risk on projects, and political risk. Williams also noted the array of responses available following a dispute.

Finally, Terhune and Thompson provided an analysis of the two energy bills introduced in both houses of Congress. They looked at the similarities and differences between the legislation and their likelihood of passage this year.

Categories

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