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New Carissa Settlement Agreement

COOS BAY--A court-approved settlement announced today will provide an initial $4 million toward restoring natural resources harmed by oil from the 1999 grounding and subsequent breakup of the New Carissa near Coos Bay, Oregon. The natural resource trustees (designated federal, state and tribal entities) for the case will submit a claim to the federal Oil Spill Liability Trust Fund for any additional money needed to fully restore populations of seabirds and shorebirds injured by the oil, as well as public recreational use lost as a result of the incident.

The agreement with the ship's owner, operator and insurer resolves a $96 million lawsuit filed in federal court in Portland in 2001, *Green Atlas Shipping S.A., et al. v. United States*, regarding various claims related to the ship's grounding. In addition to the $4 million to be paid to the federal government for damage to natural resources, the settlement requires the ship's owner and operator to pay another $6.5 million to the government for oil spill cleanup costs incurred by the Coast Guard. The federal government will in turn pay $4 million to the owner, operator and insurer in settlement of their $96 million claim regarding the grounding. The money paid by the ship's owners in settlement of the federal case are in addition to over $60 million already paid by the owners and their insurers in oil spill cleanup expenses, salvage costs, and settlements and judgments paid to other parties.

The natural resource trustees will next begin a public planning process to help determine the best approach for restoring the natural resources lost or injured as a result of the spill. The natural resource trustees who have been cooperatively working on this damage assessment case are: the U. S. Department of Interior (represented by the Bureau of Land Management, U. S. Fish and Wildlife Service and the Bureau of Indian Affairs); the U. S. Department of Agriculture (represented by the U. S. Forest Service) the State of Oregon (represented by the Departments of Fish and Wildlife and Environmental Quality) the Confederated Tribes of the Siletz, Oregon and the Confederated Tribes of the Coos, Lower Umpqua, and Siuslaw Indians.

"I am particularly pleased with this settlement," said Bureau of Land Management State Director Elaine M. Brong. "These initial funds will allow us to begin restoration quickly. In fact, the trustees hope to release a draft restoration plan within the next few months for public comment." The Bureau of Land Management is the lead trustee representative in this case.

The New Carissa, a bulk cargo ship headed for Coos Bay, dragged anchor during a winter storm in heavy seas on February 4, 1999. It ran aground on the beach just north of the entrance to the bay and eventually broke in two. Even though much of the ship's heavy fuel oil was burned off by purposefully set fires designed to consume the oil while still aboard the vessel, the ship ultimately leaked an estimated 70,000 gallons or more of its fuel. Its bow section was towed to

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sea, but initially broke free of its tow in another storm and washed back up on the beach near Waldport, Oregon. The bow section later was towed successfully far out to sea and sunk by the U.S. Navy. The stern section of the broken ship still remains on the coast near Coos Bay.

Following a state court lawsuit filed by the State of Oregon against the ship's owner and operator, a jury in Coquille awarded the State $25 million for the damage caused by the wreck's continuing trespass on Oregon's beaches.

Trustees determined that the New Carissa incident caused injury to a wide variety and number of seabirds and shorebirds. Trustees estimated that more than 2300 seabirds and gulls were killed by the incident and about 450-800 shorebirds were oiled. In addition, about 29,000 public recreational trips were lost or diminished.

The settlement specifically recognizes that if the initial $4 million paid by the ship interests does not completely restore the natural resources damaged by the spill, the trustees are not precluded from obtaining additional funds from the Oil Spill Liability Trust Fund. The billion-dollar fund, managed by the U.S. Coast Guard's National Pollution Funds Center, was created by the Oil Pollution Act of 1990, and received its money from a five-cent per barrel tax collected from the oil industry. The Fund is available for natural resource damage restoration claims and other oil spill damages.

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