



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, SEPTEMBER 19, 2011
WWW.JUSTICE.GOV

ENRD
(202) 514-2007
TDD (202) 514-1888

SHIP OWNERS AND OPERATORS TO PAY \$44 MILLION IN DAMAGES AND PENALTIES FOR 2007 BAY BRIDGE CRASH AND OIL SPILL

Proceeds Of Settlement To Fund Projects And Restore Natural Resources Largest Oil Pollution Act Settlement in History of the Law

SAN FRANCISCO – Federal, state, and Bay area officials announced a comprehensive civil settlement with the owners and operators of the M/V *Cosco Busan*, resolving all natural resource damages, penalties, and response costs that resulted from the ship striking the San Francisco-Oakland Bay Bridge in 2007, and subsequent oil spill in the San Francisco Bay. The event killed thousands of birds, impacted a significant portion of the Bay’s 2008 herring spawn, spoiled miles of shoreline habitat and closed the Bay and area beaches to recreation and fishing.

The U.S. Department of Justice, the State of California, the City and County of San Francisco, and the City of Richmond signed and lodged a consent decree that requires Regal Stone Limited and Fleet Management Ltd., the owners and operators of the M/V *Cosco Busan* to pay \$44.4 million for natural resource damages and penalties and to reimburse the governmental entities for response costs incurred as a result of the 53,000 gallon oil spill that occurred when the vessel struck the San Francisco-Oakland Bay Bridge on Nov. 7, 2007.

Officials announced the agreement at a press conference today on Treasure Island, overlooking the site of the 2007 crash.

U.S. Secretary of the Interior Ken Salazar was joined by Assistant Attorney General Ignacia S. Moreno, head of the Justice Department’s Environment and Natural Resources Division, U.S. Attorney Melinda Haag of the Northern District of California, California Attorney General Kamala D. Harris, Natural Resources Secretary John Laird, National Oceanic and Atmospheric Administration Chief of Staff Margaret Spring, San Francisco City Attorney Dennis Herrera, and representatives of the California Department of Fish and Game, State Lands Commission, state and regional water boards, and the East Bay Regional Park District, among others.

“This settlement is great news for the Bay Area and for all who enjoy these lands and waters rich in beauty, wildlife, and recreational opportunities,” said Secretary Salazar. “With this settlement, we are seeing to it that those responsible for the spill are

held accountable and that they pay their share for restoring and improving our precious natural resources and public lands.”

“The Cosco Busan oil spill had a major impact in the San Francisco Bay and beyond, oiling over 100 miles of shoreline,” said Assistant Attorney General Moreno. “This comprehensive settlement achieves full compensation for the significant natural resources that were injured as result of the Cosco Busan oil spill. It also forms the foundation for the complete restoration of precious lost natural resources, park system resources, and compensates for lost recreation uses for the benefit and enjoyment of the people of the San Francisco Bay Area and for all Americans.”

The federal and state natural resource trustees estimate that the spill killed 6,849 birds, impacted 14 to 29 percent of the herring spawn that winter, oiled 3,367 acres of shoreline habitat, and resulted in the loss of over one million recreational user-days. A result of a multi-governmental effort by federal and state agencies, and municipal governments, the settlement is expected to fully compensate (in addition to previously reimbursed costs) for the natural resources and other damages and costs resulting from the spill.

The portion of the settlement for lost human uses of the shoreline and the Bay, \$18.8 million, constitutes one of the largest human use recoveries for any oil spill in the United States. Of this, the National Park Service is receiving approximately \$9.75 million to improve coastal access and facilities in the bayside, coastal and estuarine areas of Golden Gate National Recreation Area, San Francisco Maritime National Historical Park and Point Reyes National Seashore.

The remaining \$9 million will be disbursed either directly to local government as part of the consent decree or through a grant program to fund shoreline recreational projects throughout the impacted spill areas.

On November 30, 2007, just 23 days after the spill, the United States filed a lawsuit in federal court against Regal Stone Limited, Fleet Management Ltd., and John J. Cota seeking damages for resource injuries caused by the spill and for costs incurred cleaning up the spill. The U.S. asserted claims under the Oil Pollution Act, the National Marine Sanctuaries Act, the Park System Resource Protection Act, and the Clean Water Act.

On Dec. 10, 2007, the city and county of San Francisco filed, and the city of Richmond later joined, an action in the Superior Court of California seeking damages and injunctive relief under state law and common law.

After investigating many of the impacts from the spill, on Jan. 7, 2009, the California Department of Fish and Game, State Lands Commission, and the Regional Water Quality Control Board – San Francisco Bay Region, filed a complaint in the Superior Court that included causes of action for natural resource damages under the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act, the Oil Pollution Act

various other state law provisions and common law. California asserted claims for civil liability and penalties and state costs incurred responding to the spill. Each of these actions is resolved by the settlement, which is subject to a 30-day public comment period that begins with the posting of a notice in the Federal Register. The consent decree will be available for viewing at www.justice.gov/enrd/Consent_Decrees.html

“The Cosco Busan oil spill polluted the Bay, killed wildlife, and cost Bay Area residents millions of dollars in economic opportunity,” said California Attorney General Harris. “This settlement properly compensates the public affected by the oil spill and will fund the environmental restoration and recreational projects necessary to undo the damage done by the spill.”

“This settlement takes California a big step closer to healing the serious injuries the San Francisco Bay ecosystem suffered as a result of the spill,” said California Natural Resources Secretary Laird. “For years to come, the restoration projects funded through this settlement will help recover habitat for wildlife and improve opportunities for visitors to enjoy the natural beauty of the Bay Area.”

“This consent decree represents a just conclusion to the sustained and unrelenting efforts by the various government attorneys, including the San Francisco City Attorney’s Office, to recover full compensation for the costs this oil spill imposed on our taxpayers and the damage it did to recreational opportunities at our beaches and in the Bay,” said San Francisco City Attorney Dennis Herrera.

“Numerous NOAA scientists and experts worked on this oil spill – playing a critical role before, during, after this incident. Thanks to the hard work we have all done as federal, state and local partners, today we stand together in declaring the importance of maintaining a safe and efficient marine transportation system both for protection of our oceans and the economy,” said Margaret Spring, NOAA chief of staff. “In tough economic times we must remember that 69 million jobs are associated with healthy oceans and coasts. This settlement today once again emphatically states the importance of these jobs.”

In conjunction with the consent decree, the federal and state trustees will publish a separate notice in the Federal Register seeking comments on the Draft M/V *COSCO BUSAN* Damage Assessment and Restoration Plan (DARP). After considering comments from the public, the trustees will produce a Final DARP selecting projects that will be funded with approximately \$32 million from this settlement. About \$5 million will be used to fund bird restoration, \$4 million for habitat restoration, \$2.5 million for fish and eelgrass restoration, and \$18.8 million for recreational use improvements. An additional \$2 million will fund restoration planning, administration and oversight, with any unused funds to be spent toward more restoration. The draft plan will be available shortly for public comment. Two public meetings will be held to allow for a brief overview of the restoration plan and public comments to be made. Copies of the Draft DARP, including injury assessment and restoration project details, are available at www.dfg.ca.gov/ospr/Science/cosco_busan_spill.aspx

“This settlement marks an excellent collaboration of agencies at all levels to restore and preserve San Francisco Bay,” said Bruce Wolfe, the Executive Officer of the San Francisco Regional Water Quality Control Board. “But it also reminds us that the amount of oil spilled in this incident is the equivalent of what automobile traffic deposits in the Bay every year. All of us, as stewards of the Bay, must be diligent in doing all we can to protect it.”

The settlement follows earlier criminal indictments brought by the Environmental Crimes Section of the Environment and Natural Resources Division of the U.S. Department of Justice and the U.S. Attorney’s Office for the Northern District of California. John J. Cota, the pilot of the *Cosco Busan*, and Fleet Management were criminally prosecuted. Cota pleaded guilty in 2009 and was sentenced to 10 months in prison for negligently causing the discharge and killing migratory birds. Fleet was sentenced in 2010 after pleading guilty in the criminal case to negligently causing the discharge and obstructing justice. Fleet was ordered to pay \$10 million in criminal penalties, including \$2 million for local environmental projects, for its role negligently causing the Cosco Busan oil discharge and obstruction of justice charges for a subsequent cover-up in which it falsified ship records after the crash. For more information: www.justice.gov/opa/pr/2009/July/09-enrd-698.html

“The Northern District of California contains some of the most picturesque waterways in the country. Ship owners and operators cannot be allowed to take them for granted,” said U.S. Attorney Melinda Haag of the Northern District of California. “This settlement and the criminal cases we brought in 2008 against Fleet Management and Mr. Cota should send a strong message that the federal, state and local governments here will take action against anyone causing environmental harm to the San Francisco Bay.”

For more information and photos of the spill and response efforts, visit: www.dfg.ca.gov/ospr/Science/cosco_busan_spill.aspx and www.darp.noaa.gov

###