

MINUTE ITEM

This Calendar Item No. C58 was approved as
Minute Item No. 58 by the California State Lands
Commission by a vote of 3 to 6 at its
6-14-99 meeting.

**CALENDAR ITEM
C58**

A 67, 70
S 35

06/14/99
W 503.1648
J. Frey

**CONSIDERATION OF SETTLEMENT PROPOSAL
IN THE CASE OF PEOPLE OF THE STATE OF CALIFORNIA EX REL.,
CALIFORNIA DEPARTMENT OF FISH & GAME, ET. AL. V. ATTRANSCO, INC.
ORANGE COUNTY SUPERIOR COURT CASE NO. 64 63 39**

APPLICANT:

California State Lands Commission
100 Howe Ave., Suite 100 South
Sacramento, CA 95825

PROPOSED AUTHORIZATION:

Acceptance of a settlement proposal in the amount of \$16,000,000 in the case of People of the State of California ex rel., Dept. of Fish & Game, et. al. v. Attransco, Inc. Orange County Superior Court Case No. 64 63 39 settling all claims against Attransco arising out of spillage of oil at Huntington Beach, California on February 7, 1990.

PERTINENT INFORMATION:

On February 7, 1990, the ship M/V American Trader passed over its anchor on the approach to a mooring owned and operated by Golden West Refining Company in Huntington Beach. The shallow depth of the water caused the anchor to puncture the vessel's hull, spilling more than 400,000 gallons of Alaskan crude oil and polluting Orange County beaches. The spill resulted in the pollution and closure of public beaches on the Orange County coast as far south as Newport Beach. The plaintiff cities and Orange County lost revenue due to closure of beach facilities. The spill also caused damages to marine and bird life.

The spill spawned litigation. The plaintiffs included the California State Lands Commission, the Department of Fish and Game, Water Resources Control Board, the Department of Parks and Recreation, Orange County, the Cities of Huntington Beach, Newport Beach and Laguna Beach. Defendants included Attransco (the owner of the ship), British Petroleum (owner of the oil), Golden West (the owner of the terminal), Brandenburg Marine (supplier of the ship's mooring pilot), and the Trans-Alaskan Pipeline Liability Fund.

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Previously, the Office of the Attorney General, representing all of the Plaintiffs, negotiated favorable settlements for \$3,000,000 from the Trans-Alaska Pipeline Fund; \$3,894,246 from BP; and \$4,150,000 from Golden West. Following further settlement discussions and mediation, Attransco has made a settlement offer to the Plaintiffs in the amount of \$16,000,000 to settle all remaining claims against it arising out of the oil spill.

This settlement will also dismiss appeals by the parties.

Previously the Commission has received \$30,000 from the Trans-Alaska Pipeline Fund settlement, \$197,726 from the BP settlement, \$95,850 from the Golden West settlement. The Commission will also receive another \$95,850 from the Attransco settlement. The aggregate amount, with accrued interest, received from the litigation will be approximately \$420,000.

Commission staff has joined the other plaintiff agencies as a participant in the American Trader Trustee Committee (Committee) which has formed to review activities associated with lost recreational use due to the spill. The Committee has been reviewing various projects to mitigate the damages caused by the spill. Currently under review are public access improvements, beach recreation improvements, public education programs, interpretative programs, etc. Previously the Committee had suspended its meetings pending settlement of the case and determination of funds available for the projects. Because of the settlement, the Committee will resume its meetings, select projects and report back to the sponsoring agencies for approval of them.

Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 California Code of Regulations section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because it is not a project as defined by the CEQA and the State CEQA guidelines.

Authority: Public Resources Code Section 21065, and 14 California Code of Regulations section 15378.

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

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2. ACCEPT THE PROPOSED SETTLEMENT OFFER MADE BY DEFENDANT ATTRANSCO IN THE CASE OF PEOPLE OF THE STATE OF CALIFORNIA EX REL., DEPT. OF FISH & GAME, ET. AL. V. ATTRANSCO, INC. ORANGE COUNTY SUPERIOR COURT CASE NO. 64 63 39 IN SETTLEMENT OF ALL CLAIMS AGAINST ATTRANSCO ARISING OUT OF THE SPILLAGE OF OIL AT HUNTINGTON BEACH ON FEBRUARY 7, 1990 AND AUTHORIZE THE STAFF OF THE STATE LANDS COMMISSION AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS NECESSARY TO EFFECTUATE IT.