LOIS J. SCHIFFER Acting Assistant Attorney General 2 Environment and Natural Resources Division FRANK W. HUNGER FILED

CLERK, U.S. DISTRICT COURT 3 Assistant Attorney General Civil Division 4 NORA M. MANELLA MAK - 5 190 United States Attorney 5 ROGER E. WEST First Assistant Chief, Civil Division CENTRAL DISTRICT OF CALIFORNIA 6 Federal Building, Room 7516 300 North Los Angeles Street 7 Los Angeles, CA 90012 (213) 894-6117 8 PHILIP A. BERNS Attorney in Charge 9 Torts Branch, Civil Division, West Coast Office United States Department of Justice 10 P.O. Box 36028 ENTERED CLERK, U.S. DISTSIC 450 Golden Gate Avenue, 10th Floor 11 San Francisco, CA 94102-3463 (415) 556-3146 12 ROBERT R. KLOTZ Environmental Enforcement Section 13 CENTRAL DISTRICT OF Environment and Natural Resources Division United States Department of Justice 14 301 Howard Street, Suite 870 San Francisco, California 94105 15 (415) 744-6491 BEPT, OF COMMERCE-NOAA RECEIVED 16 Attorneys for United States of America 17 ľ MAR 27 1997 UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA 18 SOUTHWEST REGIONAL OFFICE OFFICE OF GENERAL COUNSEL UNITED STATES OF AMERICA, 201 No. CV 95-1229-RJK Plaintiff, 21 ν. 22 BP AMERICA, INC; BP OIL SUPPLY 23 COMPANY; and BP OIL SHIPPING CONSENT DECREE COMPANY, USA, 24 (BP) Defendants. 25 26 27 CONSENT DECREE (BP) - Page 1

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This Consent Decree ("Decree") is entered into by the United States of America ("United States") and BP America, Inc., BP Oil Supply Company, and BP Oil Shipping Company, USA (collectively referred to as "BP" or "BP Companies").

Introduction

On February 7, 1990, the steam tanker AMERICAN TRADER ran aground on one of its anchors at the Golden West Marine Terminal, causing Alaska north slope crude oil to spill from the ship's tanks into or upon waters, beaches, and other Natural Resources near Huntington Beach, California, and requiring cleanup of the spilled oil. The United States asserts that the cil covered approximately sixty square miles of ocean and washed ashore along approximately fourteen miles of beaches, injuring birds and fisheries and other Natural Resources.

AMERICAN TRADER was owned by American Trading Transportation Company ("Attransco") on the day of the spill, and had Mooring Master John Keon aboard for the purpose of bringing the tanker into the offshore terminal which was leased and trerated by Golden West Refining Company ("Golden West"). Golden West nired Robert Brandenburger of Brandenburger Marine, Inc. to assign mooring masters to particular mooring jobs at the offshore terminal.

AMERICAN TRADER's crude oil cargo was to be delivered to Golden West pursuant to a crude oil sales contract between Golden West and BP Oil Supply Company. BP alleges that at the time of the Oil Spill, BP Oil Supply Company was the title owner 28 CONSENT DECREE (BP) - Page 2

of the oil aboard the AMERICAN TRADER.

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BP Oil Shipping Company, USA was the time charterer of the AMERICAN TRADER on February 7, 1990.

BP America, Inc. represents that it is an indirect parent of BP Oil Supply Company and BP Oil Shipping Company, USA.

The United States, on behalf of the United States
Department of Commerce, the United States Department of the
Interior, the United States Navy, the United States Coast Guard,
and all interested federal governmental agencies, has filed,
simultaneously with the lodging of this Consent Decree, an action
in federal district court against BP America, Inc., BP Oil Supply
Company, and BP Oil Shipping Company, USA seeking, under the
Clean Water Act, 33 U.S.C. §§ 1251, et seq. ("Clean Water Act")
and other federal statutory and maritime law, inter alia, Natural
Festurces Damages and Response Costs.

: 5 The United States, on behalf of the United States In cartment of Commerce, the United States Department of the In the United States Navy, the United States Coast Guard, and an interested federal governmental agencies, has filed an federal district court against the steam tanker - -AMERICAN TRADER, in rem; Attransco; Golden West; Brandenburger Marine, Inc.; the Assuanceforeninger Gard, the AMERICAN TRADER's 23 liability insurer; and the Trans-Alaska Pipeline Liability Fund, 24 created by the Trans-Alaska Pipeline Authorization Act, 43 U.S.C. 25 98 1651, et seq. ("TAPAA"). The United States' action seeks, 26. under the Clean Water Act, TAPAA, and other federal statutory and 271

maritime law, inter alia, Natural Resources Damages and Response Costs. United States v. The Steam Tanker, AMERICAN TRADER et al., United States District Court for the Central District of California Case No. CV 91-3363.

The State of California ex rel. the California

Department of Fish and Game, the Department of Parks and

Recreation, the Regional Water Quality Control Board, Santa Ana

Region, the State Coastal Conservancy, and the State Lands

Commission ("State Agencies") and the City of Huntington Beach,

the City of Newport Beach, the Orange County Flood Control

District, and the County of Orange ("Local Governments") have

filed an action in Superior Court against Golden West, Attransco,

BP, and Brandenburger Marine, Inc., seeking, inter alia, Natural

Resources Damages and Response Costs. People of the State of

California, et al., v. BP AMERICA, Inc. et al., Orange County

Superior Court Case No. 64-63-39.

The State Agencies and the Local Governments have also filed an action in federal district court against the Trans-Alaska Pipeline Liability Fund under TAPAA for, inter alia, Natural Resources Damages and Response Costs. People of the State of California, et al., v. Trans-Alaska Pipeline Liability Fund, United States District Court for the Central District of California Case No. CV 92-0837.

It is the legal position of the United States that only officials of the United States designated by the President and state officials designated by the Governors of the respective

CONSENT DECREE (BP) - Page 4

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states are entitled to act on behalf of the public as trustees of Natural Resources to recover Natural Resources Damages resulting from the Oil Spill under Section 311(f) of the Clean Water Act, 33 U.S.C. § 1321(f).

The United States, the State Agencies, and the Local Governments (collectively, the "Governments") have proposed certain Restoration projects to Restore Natural Resources injured as a direct result of the Oil Spill: The Governments deem the proposed projects reasonable and necessary measures to Restore these Natural Resources.

The Parties desire to avoid the costs and risks of further litigation and believe that resolution of this dispute without protracted litigation to be in the best interests of the public.

To settle all of the pending litigation between the BP Companies and the Governments, the State Agencies, Local Stvernments, and BP Companies have entered into the Settlement Agreement that is Attachment 2 to this Decree (the "Settlement Agreement") and the United States and the BP Companies have entered into this Decree.

The Parties recognize that this Decree is a settlement of a contested matter and that neither the payment nor the acceptance of any consideration represents an admission of liability or responsibility by any Party. This Decree is without prejudice to the rights and defenses of the Parties hereto to any claims or causes of action against Non-Settling Parties.

CONSENT DECREE (BP) - Page 5

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NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

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CONSENT DECREE (BP) - Page 6

1. This Court has jurisdiction over the subject matter and over the parties to this action pursuant to 28 U.S.C. §§ 1331, 1333, 1345, and 33 U.S.C. §§ 1319 and 1321. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b). The United States' Complaint states claims upon which relief may be granted.

JURISDICTION

PARTIES BOUND

2. This Consent Decree shall apply to and be binding upon and inure to the benefit of the United States and the BP Companies, and each of them, and their present and former officers, directors, employees, and agents.

DEFINITIONS

- - "Claims Against BP for Contribution" means claims or causes of action, originating under federal, state, or maritime law, now or in the future, by Non-Settling Parties against any of the BP Companies for equitable comparative contribution; partial, comparative, or total indemnity; contribution; or equitable indemnity which arise from or are related to the Governments' claims for damages caused by the

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Oil Spill, except that claims based upon a written express indemnity agreement are not included within the scope of this definition.

- (b) "Final Approval" means the earliest date on which all of the following have occurred:
- Settlement Agreement (attached to this Decree as Attachment 2) was made in "good faith" as that term is used in section 877.6 of the California Code of Civil Procedure and determined that all Claims Against BP for Contribution asserted or capable of assertion in state court are barred as a result of the Settlement Agreement and all applicable appeal periods have expired without an appeal being filed, or, if an appeal is taken, the Superior Court's judgment has been upheld on appeal and either the time for further appeal has expired without the filing of a further appeal or no further appeal is allowed; and,
- pending suits in state court have been dismissed with prejudice and all applicable appeal periods have expired without an appeal being filed, or, if an appeal is taken from the dismissal, the judgment has been upheld on appeal and either the time for further appeal has expired without the filing of a further appeal or no further appeal is allowed (it is understood that the term "appeal" is meant to include any applications for a writ from a state appellate

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- (3) The United States District Court for the Central District of California has entered this Decree.
- (c) "Natural Resource" and "Natural Resources" mean land, fish, wildlife, biota, air, water, ground water, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson Fishery Conservation and Management Act of 1976, 16 U.S.C. §§ 1801 et seg.) and the State of California and its agencies.
- (d) "Natural Resources Damages" means civil compensatory and remedial relief recoverable by the Governments on behalf of the public for injury to, destruction of, or loss of any or all Natural Resources resulting from the Oil Spill, including (1) costs of damage assessment, including related enforcement costs, (2) compensation for loss, injury, impairment, damage or destruction of Natural Resources, whether temporary or permanent, or for loss of use value (active and passive), consumer surplus, economic rent, or any other similar value of Natural Resources, and (3) costs of restoration, rehabilitation, or replacement of injured Natural Resources or the acquisition of equivalent resources.
 - (e) "Non-Settling Parties" means all persons and

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CONSENT DECREE (BP) - Page 9

entities who are not parties to this Decree or the

Settlement Agreement, including but not limited to (i)

defendants in United States District Court for the Central

District of California Case No. CV 91-3363 or any case

consolidated with that action, and/or (ii) defendants in

Orange County Superior Court Case No. 64-63-39 or any case

consolidated with that action.

- (f) "Oil Spill" means the grounding of the steam tanker, AMERICAN TRADER, on February 7, 1990 at the Golden West Marine Terminal and the resulting oil spill and response activity.
- (g) "Party" or "Parties" mean the BP Companies, and each of them, and the United States.
- (h) "Restore" or "Restoration" mean any action to restore to its pre-spill condition any Natural Resource injured, lost, or destroyed as a result of the Oil Spill and the services provided by that Natural Resource, or which restores, replaces, rehabilitates, or acquires the equivalent of, the injured, lost, or destroyed Natural Resource and affected services.
- (i) "Response and/or Cleanup Costs" mean response and/or cleanup costs incurred by the Governments in responding to the Oil Spill, including but not limited to actions taken to remove and clean up the spilled oil.
- (j) "Superior Court" means the Superior Court for the County of Orange.

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SETTLEMENT PAYMENT BY BP

4. BP shall pay to the Governments the sum of \$3,894,246 (the "Settlement Amount") in the manner set forth in paragraphs 5, 6, and 7 of this Decree.

5. Within thirty (30) days of the date of notice to BP that all signatories have executed the Settlement Agreement (attached as Attachment 2) and this Decree, BP shall pay the Settlement Amount into the BP Settlement Escrow Account as described in paragraph 6 of this Decree.

ESTABLISHMENT OF SETTLEMENT ESCROW ACCOUNT AND

SETTLEMENT DISTRIBUTION FUND

- escrow account at a federally-chartered bank (the "BP Settlement Escrow Account") to receive and hold the Settlement Amount and all interest accumulated on the Settlement Amount pending Final Approval or termination of this Decree. The BP Settlement Escrow Account shall earn a rate of interest not less than the rate on F1-day Treasury Bills, and all interest earned thereon shall be for the benefit of and paid to the Governments, except that if the Settlement Amount is returned to BP as a result of termination of this Decree, all interest thereon shall be for the benefit of and paid to BP.
- 7. The Governments shall establish or cause to be established a separate escrow or court registry account (the "BP Settlement Fund") to receive and distribute the Settlement Amount

and all interest accumulated on the Settlement Amount. Within fifteen (15) days after Final Approval, BP shall instruct the escrow holder holding the BP Settlement Escrow Account to irrevocably transfer the Settlement Amount plus all accrued interest on the Settlement Amount to the BP Settlement Fund created under this paragraph. After deposit of the Settlement Amount, plus all interest accumulated on this sum, to the BP Settlement Fund, the Governments shall allocate and disburse the Settlement Amount, plus all interest accumulated on this sum, as follows:

- (a) The sum of \$2,484,567 plus all interest accumulated on this sum shall be deposited into a natural resources damages account and shall be used to Restore bird-related Natural Resources impacted by the Oil Spill. The Governments currently plan to use the funds deposited into the Natural Resources Damages Account as follows:
 - North Island, San Diego, to restore day and night roosting habitat for the Brown Pelican and other marine birds, as more fully described in Attachment 1;
 - (2) For a multi-year Brown Pelican and marine bird predator control project or projects for Southern California islands within the national boundaries of the United States, as more fully described in Attachment 1;

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- (3) For the purchase and installation of structures to serve as artificial roosts for Brown Pelicans and other marine birds, as more fully described in Attachment 1;
- (4) For jetty security projects for Brown
 Pelicans and other marine birds, as more
 fully described in Attachment 1;
- (b) The sum of \$400,000.00 plus all interest accrued on this sum for a fish hatchery program at Aqua Hedionda Lagoon to rear white seabass for replacement of those impacted by the Oil Spill;
- (c) The sum of \$300,000.00 plus all interest accrued on this sum for ocean and coastal pollution mitigation and monitoring projects to be administered by the Southern California Coastal Water Research Project;
- (d) The sum of \$79,680 plus all interest accrued on this sum for certain revenue losses incurred by the California Department of Parks;
- e) The sum of \$630,000 plus all interest accrued on the sum for certain Response Costs of the State Agencies and local Governments.
- 8. The Governments commit to the expenditure of the funds set forth in paragraph 7 (a) and (b) above, for the design, implementation, permitting, and monitoring of Restoration projects. If one or more of the projects listed in paragraph 7 (a) is not carried out for any reason, the Governments currently

plan to carry out one or more of the alternate projects described in Attachment 1. Nonetheless, the Governments retain the ultimate authority and responsibility to determine the use of funds received for Natural Resources Damages in accordance with the provisions of the Clean Water Act, other relevant federal or state law, and the regulations governing use of recoveries for Natural Resources Damages. If, in applying the provisions of the Clean Water Act and other applicable federal and state law including the aforementioned regulations, and examining the scientific and engineering objectives of the planned Restoration projects, and taking into account the available funds, the Governments determine to expend funds in a manner different from that described in paragraph 7 (a) or (b) or in Attachment 1, the Governments will provide an explanation of their decision to BP and will proceed with other Restoration projects that the Sovernments deem to be reasonable and necessary to restore Matural Resources directly impacted by the Oil Spill. Following commencement of the Restoration Projects, the United States will advise BF, upon reasonable request, of the status of the projects.

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RELEASES AND COVENANTS NOT TO SUE

9. Effective upon Final Approval and BP's payment of the Settlement Amount in the manner prescribed in paragraph 5, 6, and 7 of this Decree, the United States releases BP from, and covenants not to sue or take any other civil or administrative

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action against BP for, any and all civil claims by the United

States, arising from or based upon the Oil Spill, whether legal,

equitable, statutory, or in admiralty, of which the United States

knew or which the United States could have alleged based solely

on documentation, data, or information available to the United

States on or before the date of lodging of this Consent Decree,

including without limitation, any and all civil claims under the

Clean Water Act and maritime law that are alleged in the

complaint of the United States in this action. For the purposes

of this paragraph, "BP" includes present and former directors,

officers, shareholders, and employees of the BP Companies.

United States from, and covenants not to sue or to take any other civil or administrative action against the United States for any and all civil claims that arise from, or are based on, the Oil Spill. For the purposes of this paragraph, "United States" includes present and former employees of the United States.

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DISMISSAL OF ACTIONS AND CLAIMS

11. Upon entry of this Consent Decree as an Order of the Court (a) this Decree shall become effective and constitute a final judgment between and among the United States and the BP Companies and (b), upon BP's payment of the Settlement Amount in accordance with paragraphs 5, 6, and 7 of this Decree, each of the claims for relief by the United States against BP in this action are, and shall be, dismissed with prejudice and without an '.

award of costs or attorney's fees to any Party.

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- 12. Upon entry of this Consent Decree as an Order of the Court, Claims Against BP for Contribution pending in federal court are, and shall be, dismissed with prejudice.
- 13. BP agrees to support any motion or pleading the United States files in seeking entry of this Decree.

THIRD PARTY LITIGATION

14. The Parties agree that they will not tender each other to any third party as direct defendants in any action relating to or arising from the Oil Spill pursuant to Rule 14(c) of the Federal Rules of Civil Procedure.

RESERVATION OF RIGHTS

- 16. Nothing in this Decree creates, nor shall it be

construed as creating, any claim in favor of any person not a party to this Decree.

- 17. The covenants not to sue in paragraph 9 above shall apply only to matters in paragraph 9 and shall not apply to the following claims:
- (a) Claims based on a failure of BP to satisfy the requirements of this Decree, and
- (b) Claims for criminal liability brought by the United States.
- 18. Nothing in this Decree shall affect the subrogation rights, if any, of the Trans-Alaska Pipeline Liability Fund against any Non-Party or Party to this Decree.

 Neither the existence or non-existence of such subrogation rights shall affect or preclude Final Approval as defined in this Decree.

NOTICES AND SUBMITTALS

motice is required to be given by one Party to another, it shall be directed to the individuals and addresses specified below, unless the individuals specified or their successors give notice, in writing, to the other Parties that notice should be directed to a different individual or address.

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Notice to the United States: Chief, Environmental Enforcement Section Environment and Natural Resources Division U.S. Department of Justice P.O. Box 7611 4 Ben Franklin Station Washington, D.C. 20044 Robert R. Klotz 6 Environment and Natural Resources Division United States Department of Justice 7 301 Howard Street, Suite. 870 San Francisco, CA 94105 8 Philip A. Berns 9 Attorney in Charge U.S. Department of Justice 10 Torts Branch, Civil Division P.O. Box 36028 450 Golden Gate Avenue, 10th Floor San Francisco, CA 94012-3463 12 13: Notice to BP: General Counsel 14: BP America, Inc. 200 Public Square 1Ξ Cleveland, Ohio 44114 16 ELECTION TO TERMINATE 18 20.

Any Party may elect to terminate this Decree if, trior to Final Approval, (i) a final judicial determination is made by any court of competent jurisdiction that this Agreement will not be approved in state court as a good faith settlement under Section 877.6 of the California Code of Civil Procedure, or (ii) a final judicial determination is made by any such court that Claims Against BP for Contribution asserted or assertable in state court are not barred by this settlement, or (iii) the United States District Court for the Central District of

CONSENT DECREE (BP) - Page 17

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California makes a final determination that this Decree will not be entered as an order of the Court. A Party electing to terminate this Decree must do so within fifteen (15) days after the final judicial determination specified in the preceding sentence, and shall immediately notify the other Parties to this Decree (and the parties to the Settlement Agreement) of such election in writing by hand delivery, facsimile, or overnight mail. Termination of this Decree by one Party shall effect termination as to all Parties. For purposes of this paragraph, "termination" and "terminate" shall mean the cessation, as of the date of notice of such termination, of any and all rights, obligations, releases, and covenants under this Decree.

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REPRESENTATIVES

21. Each undersigned representative of the BP Companies certifies that he or she is fully authorized to enter that the terms and conditions of this Decree and to execute and 1-tally bind her or his respective Parties to this Decree.

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INTEGRATION CLAUSE

22. This document (including its attachments)
encompasses the entire agreement of the Parties with respect to
the subject matter hereof and totally supersedes all prior
agreements or understandings, whether oral or in writing.

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1	MODIFICATION
2	23. Minor modifications not materially altering this
3	Decree may be effected by the written agreement of the Parties.
4	No other modifications of this Decree may be made unless the
5	Parties agree in writing to the modification and the Court
6	approves of the requested modification. Nothing in this
7	paragraph shall be deemed to limit the Court's power to supervise
8	or modify this Consent Decree.
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12	-16- 1997
13	Dated and entered this 5th day of March, 1994.
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21	HONORABLE ROBERT J. KELLEHER UNITED STATES DISTRICT JUDGE
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WE HEREBY CONSENT to the entry of this Decree:

FOR THE UNITED STATES OF AMERICA:

By:

LOIS J. SCHIFFER / Acting Assistant Attorney General

Environment and Natural Resources Division

United States Department of Justice

BY:

ROBERT R. KLOTZ

Environmental Enforcement Section Environment and Natural Resources Division United States Department of Justice 301 Howard Street, Suite. 870 San Francisco, CA 94105

FOR THE UNITED STATES OF AMERICA (con't):

FRANK W. HUNGER

Assistant Attorney General

Civil Division

United States Department of Justice

By:

PHILIP A. BERNS

Attorney in Charge

U.S. Department of Justice Torts Branch, Civil Division

P.O. Box 36028

450 Golden Gate Avenue, 10th Floor

San Francisco, CA 94102-3463

FOR THE BP COMPANIES:

By:

Roger Gale
BP America, Inc.
BP Oil Supply Company
BP Oil Shipping Company USA