BRITISH PETROLEUM AGREES TO PAY $3.9 MILLION FOR 1990 CALIFORNIA OIL SPILL

WASHINGTON, D.C. -- British Petroleum today agreed to pay nearly $3.9 million in restoration and settlement costs for a 1990 tanker accident that spilled 400,000 gallons of oil into the southern California's coastal waters, the federal government and the State of California announced today. The settlement resolved all federal natural resources damages claims stemming from the February, 1990 incident, when the BP tanker American Trader ran aground and spilled oil over 60 square miles of ocean, fouling wildlife and beaches between Seal Beach and Laguna Beach, California.

Under the settlement, announced today by the Department of Justice, Department of Interior, and National Oceanic and Atmospheric Administration, most of the money will go to wildlife restoration projects and the remainder will help reimburse state and local authorities for the costs incurred responding to the spill. British Petroleum has also participated in a $35 million clean-up of the contaminated beaches.

"Today's settlement is a victory for the people of California and the environment they live in," said Lois Schiffer, Assistant Attorney General for Environment and Natural Resources. "We will not hesitate to use the force of law to make polluters pay for the messes they make, and we are pleased that BP stepped forward to help resolve these claims."

The Consent Decree requires British Petroleum to pay a total of $3,894,247, most of which will help improve or protect the habitat of the birds and fish affected by the spill. $2,484,567 of the payment will go to improve or protect the habitat of Brown Pelicans and other sea birds, $400,000 will pay for California's white seabass fish hatchery project, and $300,000 will help fund ocean pollution mitigation projects. State and federal agencies will jointly manage the wildlife projects. The February 7, 1990 spill, which occurred after the American Trader hit one of its own anchors, is believed to have killed well over 100 Brown Pelicans, an endangered species under federal law.

"This settlement provides funding to restore Brown Pelicans and other migratory sea birds injured during the spill," said Michael Spear, regional director for the Fish and Wildlife Service's Pacific Region. "It also demonstrates the value of cooperative efforts between federal, state, and local governments as we pursue polluters and ensure they pay for natural resource damages."

The remainder of the settlement, approximately $700,000, will reimburse the state and local governments for revenue losses and costs they incurred responding to the spill. A consent decree containing the BP settlement was lodged today in federal court and a settlement agreement will be presented to the state court. Both courts must approve of the settlement.

The U.S. Department of Justice filed suit in 1991 on behalf of the federal trustees for natural resources -- the United States Department of Interior and the National Oceanic and Atmospheric Administration -- to recover for the damage done to
the natural resources. The State of California filed similar suits on behalf of the state natural resources trustees. The settlement resolves all the federal and state claims against BP and all the federal and state claims for injuries to wildlife.

BP was the first defendant in these suits to reach a settlement in principle with the federal and state governments. Other settlements were negotiated while the BP deal was pending, including a $2.1 million settlement with the Trans-Alaska Pipeline Liability Fund to pay the federal government for the cleanup costs the federal government incurred responding to the spill.

The state of California and local governments will continue to pursue state law claims for beach closures and other liabilities against other defendants, including ATTRANSCO, Inc. (the tanker owner), Golden West Refining Company (the offshore terminal operator), the Trans-Alaska Pipeline Liability Fund (which compensates for damages caused by spills of oil from the trans-Alaska pipeline), and Brandenburger Marine, Inc. (the company that supplied the pilot to the tanker).

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