

Young Bill would limit oil companies' liability

WASHINGTON--Legislation that would establish a uniform law to provide a comprehensive system of liability and compensation for damage caused by oil pollution was approved today by the House Merchant Marine and Fisheries Committee. The legislation, sponsored by Rep. Don Young (R-Alaska) and Rep. Gerry Studds (D-MA), is virtually identical to that passed by the House of Representatives in the 98th Congress.

Included in the legislation are three amendments added to the bill during subcommittee markup by Rep. Young. The first provides for an expeditious rebate of previous payments into the Trans Alaska Pipeline (TAPS) fund to owners of oil flowing through the pipeline. The TAPS fund is a privately run oil spill clean-up fund established exclusively for TAPS oil companies, and other owners have been paying into the fund since it was first created in the early 1970s. The new bill is

national in scope, assumes liability for TAPS oil, and provides for the termination of this fund. The rebate will amount to over \$170 million.

The second amendment provides a credit against future payment liabilities to those companies that have paid into the Deepwater Port and Offshore Oil Fund. This fund is rolled over into the new comprehensive fund. The rebate is designed as a method to give equitable treatment to all participants in the program.

The final amendment is a rebating provision in the newly created oil spill fund. Future payments would be returned to the contributors once the fund is built up to \$300 million. \$300 million is considered by most experts to be an adequate reserve even in the case of a catastrophic spill.

"It's my hope that these amendments will make this fund essentially a no-cost item for the

industry," Young said. "The self-sustaining nature of the fund through investment income will enable it to easily repay the seed money the industry contributed to create the fund."

Other provisions of the bill, HR 1232, The Comprehensive oil Pollution Liability and Compensation Act, are as follows:

- * contains a comprehensive enumeration of the scope of damages and claims to insure adequate and just coverage;
- * sets limits of liability for vessels and facilities consistent with international standards;
- * excludes natural seepage;
- * permits states, even with limited preemption, to retain and use their own funds;
- * creates a separate government corporation to administer claims and cleanup responsibilities;
- * removes the restrictions in existing law for cleanup to an acceptable standard;
- * implements international oil pollution liability conventions when ratified by the United States; and,
- * consolidates various existing federal oil spill laws.

"I believe that our marine environment must be protected from the harmful effects of pollution," Young said. "As such, I am pleased to see that the Merchant Marine and Fisheries Committee is acting quickly on this legislation. We have been working together for over ten years to implement a comprehensive fund

to ensure that we have a system to place so that cleanup is facilitated, and victimized and damaged parties are fully compensated," he added.

The legislation must clear the House Public Works Committee before it can be brought before the full House of Representatives.

In other action, the Committee approved an amendment, offered by Rep. Young, that allows the Coast Guard to negotiate directly with the St. Paul Island municipal electric utility to obtain power from the wind/diesel electric generating facility to be constructed on the island. The amendment waives the normal 30 legislative day waiting period required under A-76 contracting guidelines. The waiting period threatened to effectively block the construction of the \$1.2 million generating facility in that an agreement by the Coast Guard or the General Services Administration to purchase electricity was needed by St. Paul to retain financing and meet construction deadlines this summer.

WASHINGTON--The House Armed Services Committee today unanimously approved legislation that would amend the Sikes Act to prohibit the Department of Defense (DOD) from contracting out military lands if the proposed activity would have a detrimental effect on fish and wildlife. The bill is sponsored by Rep. Don Young (R-Alaska).

The Sikes Act and implementing regulations provide for cooperative agreements with the U.S. Fish and Wildlife Service and state fish and wildlife agencies for the management of military reservations which have lands suitable for fish and wildlife. To date, more than 19 million acres of fish and wildlife habitat are covered by these cooperative plans.

In addition, the Department of Defense (DOD) is currently authorized to lease or sell timber or agricultural rights on lands not being used for military purposes.

In testimony earlier this week before the committee, Rep. Young said that his legislation is designed to address concerns that a good portion of military lands are managed for timber and crop production with insufficient regard to the native wildlife species. "These military lands represent a substantial portion of our nation's wildlife, fish and game resource and must, to the extent practicable with the primary mission of national defense, be managed as effectively as possible for the protection of those resources," Young told the committee. "However, the clearing of, for instance, variable hardwood forests and replacement with crop lands or pine plantations clearly is not in the interests of sound wildlife management, unless such activities are necessary to increase food and habitat potentials."