

## Land Management



Department

### New Carissa Fact Sheet



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The stern section of the *New Carissa* lies just offshore near Coos Bay. The ship ran aground during a storm Feb. 4, 1999. Since the *New Carissa* rests in waters of the state, it comes under the jurisdiction of the Department of State Lands. The department is governed by the State Land Board, which consists of the Governor, Secretary of State and State Treasurer.

In mid-February 1999, attempts by the U.S. Navy and command team to burn leaking fuel in the shipwrecked vessel resulted in it breaking in two. On February 28 and March 1, the tug *Sea Victory* pulled the bow section off the North Spit near Coos Bay and headed out to sea to a scuttling site. The stern remained on the beach. On March 3, 1999, the bow broke loose from the tug in a storm 40 miles offshore and drifted ashore the next day near Waldport. On March 8 the *Sea Victory* pulled the bow off the beach in Waldport.

On March 11 the bow section, still carrying 135,000 gallons of oil, sank in nearly 11,000 feet of water 320 miles off the Oregon Coast after a U.S. Navy submarine fired a torpedo into it. The hulk survived the detonation.

In May 1999, a joint venture of Donjon Marine Co. of New Jersey and Fred Devine Diving & Salvaging Co. of Portland, under a contract with the ship's owner, began to remove the stern from the North Spit, as urged by then-Governor John Kitzhaber. The plan was to move the wreckage to a deep-water disposal site.

In October 1999, the Salvage Chief prepared to scour a channel in the sand through which the hulk could be pulled to deeper water and towed to a burial site 46 miles offshore. A large portion of the ship was successfully towed and buried, but the bulk of the stern still remained on the beach. Donjon Devine suspended the salvage effort until spring because of bad weather. About a third of the wreck was cut away, and oil and other pollutants were removed, according to the salvagers.

In April 2001, Gov. Kitzhaber declared he wanted the remains of the wreck removed or the payment of a \$25 million bond to the state from the ship's owners, Green Atlas Shipping Company.

After lengthy negotiations about removing the remaining stern section, the State of Oregon filed suit in Coos County Circuit Court on Oct. 3, 2001, against the *New Carissa's* owner, alleging the ship was trespassing in state waters, and asking for the removal of the remains of the vessel and reimbursement of attorney fees.

The trial was held in Coquille, Oregon. The defendants were the *New Carissa* operator, Taiheiyo Kaiun Co., Ltd. of Japan; the ship's owner, Green Atlas Shipping of Panama; and the ship's manager, TMM Co. Ltd. of Japan. The plaintiff was the State of Oregon.

The jury trial concluded on November 13, 2002. The verdict, a 10-2 ruling, found the owners of the *New Carissa* guilty of negligent trespass and awarded the State of Oregon \$25 million to pay for removing the 1,500-ton stern off the beach near Coos Bay and to offset attorney fees associated with the cost of the trial.

In January 2003, Green Atlas deposited \$25 million into a Department of Justice account after filing an appeal in December 2002. Oral arguments for the appeal were scheduled for early June 2006.

On May 23, 2006, the State Land Board approved a settlement of the Green Atlas Shipping Company case. In the settlement:

1. The parties agree that of the approximately \$27.1 million held in the DOJ client trust account, \$5.0 million will be released to Green Atlas Shipping Co., and the balance will be paid to the State of Oregon in settlement of the pending lawsuit.
2. The \$5.0 million will be released to Green Atlas Shipping upon its withdrawal of its appeal of the case, and entry of a final judgment dismissing the appeal.
3. The State of Oregon will receive the balance of the amount held in the DOJ client trust account

(approximately \$22.1 million). The State intends to use most of the funds it receives, approximately \$18 million, including the cost of a supervisory contractor and contingency funds, to remove the remaining wreckage of the *New Carissa*. The remaining monies of approximately \$4.1 million will be used to repay the DSL's legal costs.

4. Green Atlas Shipping will assist DSL in developing a contract for the removal of the wreckage.

In September 2006, the Department of State Lands received approval from the Legislative Emergency Board to expend \$18 million to remove the remaining wreckage of the *New Carissa* from the Oregon shore.

The Department of State Lands on May 22, 2007, signed a \$16.5 million contract with Titan, a worldwide marine salvage and shipwreck company, to remove the New Carissa wreckage by Oct. 1, 2008.



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