

**SENATE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES**

May 12, 1999 Hearing Room 50

4:30 p.m. Tapes 122 - 123

**MEMBERS PRESENT: Sen. Gary George, Chair**

**Sen. Thomas Wilde, Vice-Chair**

**Sen. Tony Corcoran**

**Sen. Joan Dukes**

**Sen. Bill Fisher**

**Sen. Marylin Shannon**

**MEMBERS EXCUSED: Sen. Ted Ferrioli**

**STAFF PRESENT: Brad Harper, Administrator**

**Patrick Brennan, Administrative Support**

**MEASURE/ISSUES HEARD: OVERVIEW OF NEW CARISSA GROUNDING**

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
<b>TAPE 122, A</b>		
003	Chair George	Calls the meeting to order at 4:42 p.m. Opens an informational meeting regarding the grounding of the New Carissa.
<b><u>OVERVIEW OF NEW CARISSA GROUNDING</u></b>		
008	Chair George	Gives a brief overview of the presentation. Discusses the importance of the issue to Oregonians.
024	Langdon Marsh	Director, Department of Environmental Quality (DEQ). Introduces himself and

		presents informational materials to the committee ( <b>EXHIBIT A</b> ).
027	Lt. Commander Dewayne Penberthy	Marine Safety Officer, U.S. Coast Guard. Introduces himself and presents informational materials to the committee ( <b>EXHIBIT B</b> ).
030	Bill Milwee	Representative for the owners of the New Carissa. Introduces himself and presents informational materials to the committee ( <b>EXHIBIT C</b> ).
036	Rep. Mike Lehman	<p>House District 47. Indicates that his district is the location of the remains of the New Carissa. States that the Governor appointed a task force to study the New Carissa incident, to which he was appointed. Says the task force was appointed to achieve several goals:</p> <ul style="list-style-type: none"> <li>• Give a good public overview of the events that occurred</li> <li>• Study the ways state agencies can address the issues that have been brought to prominence in light of the New Carissa incident</li> <li>• Consider recommendations to the Federal government</li> </ul> <p>Offers a schedule of meetings for the task force. Discusses the issues that may be discussed in future meetings. Indicates that recommendations may be made by early fall.</p>
074	Chair George	Agrees that there is a need to create a safer process to prevent such accidents in the future.
088	Sen. Corcoran	Wonders if part of the task force's job will be to alleviate concerns that Oregon taxpayers will have to pay for the removal of the stern section of the ship in an environmentally sound manner.
101	Rep. Lehman	Replies that the issue may be of primary importance. Indicates that the state will bear no cost of removing the stern section. Asserts that the crisis management went "very well" overall.
117	Sen. Corcoran	Asks why the task force meets only on the coast on Friday evenings.
124	Rep. Lehman	Replies that there has been a significant benefit to tourism due to the incident and that holding meetings on Friday evenings brings visitors to the hotels and restaurants of the region.
136	Langdon Marsh	Suggests that the Coast Guard representative offer a chronological account of the incident.
151	Penberthy	Provides an overview of the events of February 3 <sup>rd</sup> , 1999. Indicates a strong storm hit the coast that evening and that a determination was made not to bring the New Carissa to port. Says the ship went aground during the early morning hours of February 4 <sup>th</sup> , adding that there have been no definitive conclusions as to the reasons why the grounding occurred. Says the Coast Guard was notified at 9:00 a.m., at which time it activated its emergency protocol for a spill scenario.

		<p>Describes the makeup of the Unified Command. Indicates the Unified Command agreed upon three initial objectives:</p> <ul style="list-style-type: none"> <li>• Insure safety of personnel</li> <li>• Re-float the vessel</li> <li>• Prevent the spillage of oil</li> </ul> <p>Explains that heavy surf made evacuation of personnel difficult. Says there were no salvage vessels nearby and that the nearest one, the Salvage Chief, based in Astoria, was delayed for two days by poor weather conditions. Indicates the objectives were revised in response as follows:</p> <ul style="list-style-type: none"> <li>• Insure personnel safety and the safety of the community</li> <li>• Minimize the impact on the environment</li> <li>• Salvage the vessel</li> </ul>
201	Chair George	Inquires as to the exact time the determination was made that there were no salvage vessels nearby.
208	Bill Milwee	Says the owners of the Salvage Chief were notified at 9:00 a.m. on February 4 <sup>th</sup> , with other salvage companies also contacted at that time. Explains that the Salvage Chief was insufficiently fueled to leave port at the time, with the salvage team arriving the next day
230	Penberthy	Indicates that oil began to leak from the vessel on February 8 <sup>th</sup> . Says the Unified Command decided not to remove the ship on February 10 <sup>th</sup> , at which time the decision was made to burn off the excess fuel. Describes the process by which the salvage team attempted to burn off the fuel oil on board the wreck. Says explosives and napalm were used to sustain the 33-hour burn, which consumed half of the fuel load. Explains that the pounding surf had separated the ship into two sections by this time, which drifted apart in the heavy wind and waves.
284	Chair George	Says a recurring question is why there was no effort to pump the oil off the ship immediately, using mobile tanks and helicopters.
294	Milwee	Replies that such an operation would be "totally impractical." Discusses the inability to move significant amounts of oil via helicopter. Indicates there were suggestions that hoses be run from ship to shore to pump the oil, but says such an operation would have been hampered by the moving ship and the lack of a site to locate holding tanks on the beach. Reiterates that the first indication of hull failure was on February 6 <sup>th</sup> .
320	Chair George	Recalls the decision to burn the ship and says that the ship would have broken up whether it was burned or not.
334	Milwee	Concurs with the chair, indicating that ships beached in a manner similar to the New Carissa are prone to break in two.
345	Penberthy	Concurs that ships are not designed to absorb such stresses. Explains that the bow section contained the majority of the remaining oil and that it was

		determined that the section should be towed to sea and sunk in cold, deep water where it would be less likely to release its oil. Says the tugboat Sea Victory was contracted to tow the bow section with a special towline flown in from Holland on February 21 <sup>st</sup> .
373	Chair George	Mentions there is a rumor that the towline was produced in the United States and sent to Holland prior to being brought back to tow the bow section.
380	Milwee	Describes the line as being a polyethylene fiber, produced in Washington. Says a search was conducted to find a line of appropriate length and makeup, resulting in the decision to use the Holland line.
400	Penberthy	Indicates that the fuel pumped from the ship during the lightening process was mostly seawater. Says the towline was connected to the bow February 26 <sup>th</sup> and that it cleared the beach March 1 <sup>st</sup> . Mentions that storms hampered the towing efforts. Says the tow wire on the Sea Victory broke loose at 5:18 p.m. on March 1 <sup>st</sup> , after which the bow section moved northeast at 7 knots.
<b>TAPE 123, A</b>		
019	Chair George	Says that the facts of the line breaking loose are not well known among the general public.
024	Milwee	Explains that the Sea Victory was actually losing ground in the heavy seas prior to the bow breaking loose, due to the high profile of the lightened New Carissa. Says the bow yawed perpendicular to the wind, causing the wire rope connecting the towline to the Sea Victory to fail.
032	Penberthy	Asserts that the conditions at the time were similar to a hurricane. Says the bow section came to rest in Waldport on March 2 <sup>nd</sup> . Indicates the environmental impact at the second site were similar to the first. Explains that the bow was towed to sea on March 8 <sup>th</sup> by the Sea Victory, the tug Natoma, and the skimming vessel Oregon Responder and its escort vessel. States the bow was sunk 280 miles offshore by the U.S.S. Bremerton in 9,600 feet of water. Acknowledges there was a slight release of oil at the time of sinking. Reiterates the stern section remains aground in Coos Bay and that the tanks aboard have been cleared of remaining oil.
070	Chair George	Suggests that a combination of conditions was primarily to blame for the disaster, rather than negligence on the part of any involved.
085	Milwee	States that he has never seen a wreck that posed so many problems in such a short time. Suggests that the Oregon coast is "one of the most inhospitable coasts in the world for accidents like this," adding that ships going aground in the Pacific Northwest are generally lost. Argues that little more could have been done, and praises the efforts of the Unified Command for setting goals and creating multiple contingency plans. Suggests that had the Salvage Chief been ready to set sail and arrive sooner, there may have been the possibility for re-floating the New Carissa.

118	Chair George	Wonders if there is the possibility for mooring vessels differently in order to prevent them from running aground, or preparing them in a way that would increase their chances of escaping should such accidents occur.
129	Milwee	Explains that ships drag anchor frequently by design, so as to allow redeployment when necessary. States that he is not qualified to comment on anchoring policies.
140	Chair George	Asks if ships could be repositioned to avoid accidents.
146	Milwee	Replies that such decisions would depend on several variables: <ul style="list-style-type: none"> <li>• The depth of water</li> <li>• The type and condition of the holding ground for the anchor</li> <li>• The type of anchor</li> <li>• The weather conditions</li> <li>• The judgement of the master as to when to pick up and leave</li> </ul>
152	Chair George	Asks if there should be suggestions made as to which risks to take in certain conditions.
161	Milwee	Replies that such decisions are matters of professional judgement and that it should be left in the hands of vessel commanders.
167	Sen. Dukes	Understands the reason the ship was not brought in given the conditions but wonders why there was no effort made to take the vessel back out to sea. Indicates that she has been told that it is easier to ride out a storm at sea than near the shore.
175	Chair George	Suggests that the commander probably believed the anchor to be secured.
176	Milwee	Concurs with the chair.
177	Sen. Fisher	Asks for clarification regarding the size of the load that was picked up.
185	Penberthy	Replies that it was probably 37,000 tons.
189	Milwee	Mentions that, as the ship's capacity was 44,000 tons, it was probably loaded with 37,000 tons.
203	Chair George	Asserts that the state was fortunate that the accident did not become a greater danger to estuaries and fish life. Recognizes that the resources utilized to address the problem were effective in protecting the coast. Asks if there are additional measures that could have helped to further reduce damage.

210	Marsh	Concurs with the chair, adding that since weather prevented a more timely arrival of the Salvage Chief the effort went as well as could be expected. Agrees that there were difficult choices to be made and that the Unified Command process was validated by its handling of the disaster. Suggests there might have been better readiness for providing support vessels such as the Salvage Chief.
242	Chair George	Mentions that fire fighting bombers are paid a standby fee to be prepared to react to a disaster and suggests that a similar program could be put in place for salvage vessels. Inquires about the readiness of boom contractors.
257	Milwee	Replies that several response contractors were able to bring in equipment long before oil escaped into the water.
268	Penberthy	Concurs and says that the Pacific Northwest is well prepared with regard to boom coverage.
275	Sen. Fisher	Asks how ecological damage caused by modern accidents such as the New Carissa and the Exxon Valdez compare to that caused by massive ship losses during World War II. Suggests that events such as Pearl Harbor would have created much more damage than a single ship accident. Mentions that historical records contain no mention of oil damage resulting from wartime naval losses. Wonders why so many "pristine" beaches exist today, given the massive oil damage that must have occurred less than 60 years ago.
315	Penberthy	Replies that oil is unhealthy to wildlife. Acknowledges that "pristine" is an overused word. Suggests that oil releases released during peacetime are totally different than those that occur during war and that efforts should be made to prevent such accidents from occurring.
333	Sen. Fisher	Indicates that he is in "complete agreement" with the assertion that steps should be taken to prevent release of oil. Asks why there is no mention of oil damage during World War II.
342	Penberthy	Suggests that the shift in focus is a result of societal changes.
348	Sen. Fisher	Points out that there are no pictures documenting oil damage from World War II. Acknowledges the dangers of oil spills to humans and animals. Explains that many tourist beaches and coral reefs are near the locations of devastating losses of ships during wartime.
377	Marsh	States that the general public and scientific communities were less aware of the impact of oil upon ecosystems during the 1940s than today. Agrees that it makes no sense to focus on such issues in times when national security depends on risking the spillage of oil. Explains that the Exxon Valdez disaster in 1989 led to the Unified Command structure that came into play during the New Carissa incident. Indicates that releases of oil during the Gulf War received greater attention than similar incidents in World War II or the Korean War.
409	Chair George	Comments on the environmental impact of the Gulf War and says it is proper to

be conscious of the effects of oil and other pollutants on nature. Asserts that there is a need for balance between ecologists and industrialists. Argues that everyone has a stake in being better prepared for accidents.

**TAPE 122, B**

020	Kay Brown	Representative, Oregon Department of Fish and Wildlife (ODFW) ( <b>EXHIBIT D</b> ). Asserts that the state was lucky that oil did not enter the estuaries, as fish and wildlife provide an important economic component to coastal communities. Says that 450 animals were documented casualties of the New Carissa spill. Discusses the potential hazards of the accident to endangered species. Suggests that oil was less of an issue during World War II because, at the time, there were "fewer people and a lot more wildlife."
057	Sen. Fisher	Reiterates the desire to protect the state and its wildlife. Explains that it is troublesome that spills that must be small relative to Pearl Harbor are given such attention. Asserts that there are a greater number of pinnipeds today than 60 years ago and that species have been endangered throughout history. Says that loss of wildlife should be prevented where possible but that it should be done with restraint.
083	Chair George	Asks what types of inspections are made of ships entering Oregon ports and waters and what information is available to authorities. Mentions that there will likely be greater numbers of ships coming to Oregon in the future.
095	Penberthy	Replies that inspections are conducted by the flag state of the vessel, which in the case of the New Carissa was Panama. Explains that other nations conduct inspections in a manner similar to those conducted by the United States.
102	Chair George	Asks about insurance carrier requirements for inspections.
104	Penberthy	States that he is not qualified to comment on insurance requirements.
107	Milwee	Indicates that many insurance companies have begun to refuse to cover ships that do not meet classifications. Mentions that some nations do a better job than others with regard to inspection do.
118	Chair George	Surmises that insurance companies are concerned about the potential cost of a cleanup operation following an accident.
121	Milwee	Concurs with the chair.
126	Penberthy	Indicates that the United States conducts a "port state program" that guarantees compliance with international maritime standards. Mentions that the New Carissa was not due for such an inspection.
139	Chair George	Says the vessel appeared to be in relatively good condition.

141	Penberthy	Concurs with the chair. Adds that the inspectors who made the initial assessment for the Unified Command believed it to be in good working condition.
143	Chair George	Inquires who keeps track of incoming and outgoing vessels.
149	Penberthy	Replies that there is a requirement for vessel agents to notify the Coast Guard 24 hours in advance of arrival and that the information is put into the port state control matrix and prioritized for possible boarding.
160	Chair George	Says that many ships are equipped to allow helicopters to land on them. Asks how ships without such access are boarded.
166	Penberthy	Replies that personnel board vessels by pilot boat or Coast Guard vessel.
175	Sen. Dukes	Inquires how much oil is left in the stern section.
178	Penberthy	Replies that there is very little oil remaining and that recent attempts to withdraw it have resulted in fewer than 40 gallons.
182	Sen. Dukes	Asserts that someone will have to determine when it is safe to dismantle the stern without risk of spillage.
186	Milwee	Indicates the remaining oil is inaccessible and will likely result in small spills, which is why pollution control teams will be on hand at the time the ship is dismantled.
195	Sen. Dukes	Wonders what will happen to the remains and who will make such determinations.
199	Milwee	Indicates the vessel owners will probably have the ship sold as scrap metal.
206	Sen. Dukes	Asks if conclusions can be drawn from the accident regarding double-hulled vessels.
212	Penberthy	Indicates the ship was not required to have a double hull, as it is not a tanker. Adds that even a tanker would leak oil from its fuel tanks under similar circumstances, since the fuel tanks have no double hull requirements.
227	Milwee	Indicates he is involved in a committee that will analyze the benefits of double hull ships.
233	Sen. Fisher	Argues that it is impossible to build a structure as large as a cargo ship that can balance at the middle without stress failure.



250	Milwee	Concurs with Sen. Fisher. Says that a ship constructed to survive such stress could not float and could not carry cargo.
253	Sen. Fisher	Concurs with Mr. Milwee and says that sacrifices must be made. Recounts the loss of a fishing boat in a situation similar to the New Carissa incident.
264	Milwee	Says that ignorance of safety in deference to commercial concerns is often the cause of ship loss.
269	Penberthy	Estimates that 80 percent of ship losses are a result of human error, as opposed to physical failure.
274	Chair George	Asks for conclusions that may be drawn from the incident for responding to future disasters. Acknowledges that there was ample equipment in Coos Bay to handle the loss of oil.
289	Milwee	Agrees that the state was prepared for the loss of oil but that there was less preparation for the loss of the vessel
304	Chair George	Says the response team is prepared to arrive immediately and await instructions.
308	Milwee	Argues that the response team should be expanded to include vessels such as the Salvage Chief. Mentions that South Africa has two government-subsidized vessels for disaster response, and that England, France, Italy, and Spain have developed similar programs. Says the United States has abandoned such practices due to economic unfeasibility.
331	Chair George	Inquires who would make the decision to retain salvage vessels for crisis response.
339	Marsh	Replies that such contracts would be negotiated or regulated. Says that, given the interstate nature of accidents it may belong to DEQ and its equivalent in other states.
355	Chair George	Comments on the regional nature of strategic disaster response.
375	Marsh	Refers to the submitted fact sheets and comments on the possible dispensation of the stern section. Assures the committee that stern removal will not fiscally impact the state. Outlines suggested changes to the spill response program: <ul style="list-style-type: none"> <li>• Better organization and use of volunteer labor</li> <li>• Better outreach and public education</li> <li>• Better damage assessment in accordance with federal regulations</li> </ul>
<b>TAPE 123, B</b>		

023	Sen. Fisher	Asks how the drug labs were involved in the spill response program.
028	Marsh	Replies that there were a large number of activities going on during the response action. Explains that drug lab analysis was necessary due to the potential for release of chemicals. Indicates the materials refer to all aspects of DEQ activity regarding spill response readiness statewide.
045	Brown	Comments on the prepared testimony submitted by ODFW.
050	Chair George	Notes that there are many people who want to help out in events such as the New Carissa incident.
058	Marsh	Indicates that a network of over 1,200 people with some training was prepared to be part of the New Carissa response.
062	Chair George	Suggests the volunteers would have been desirable had there been a major spill.
066	Brown	Asserts that there is a need for a better way to map the location of sensitive species.
072	Chair George	Says that better preparation has the potential for preventing such occurrences in the future. Identifies having an available salvage vessel as being of primary importance.
079	Sen. Fisher	Comments on the operating costs of a ship of the size of the New Carissa, meaning there would be savings for staying close by. Asks for the cost of operating a ship compared to that of remaining on anchor.
090	Milwee	Says the daily rate for hiring a ship such as the Salvage Chief is approximately \$22,000. Suggests that maintaining such a ship in readiness condition would be significantly less and would be practical. Indicates the cost of operating the New Carissa versus anchoring is the cost of fuel, mentioning that the profit margins in the shipping business are "pretty narrow." Agrees there are savings to anchor rather than to cruise or to dock at port.
113	Chair George	Says that cruising offshore may become a more viable option, given the consequences of anchoring to the New Carissa.
119	Milwee	Asserts that owners will always be pressuring captains to save money wherever possible, including fuel costs.
123	Peter Richards	Concerned citizen and shipping company employee, Multnomah County. Argues that the owners of the New Carissa would have gladly paid the cost of fuel as opposed to losing the ship. Indicates that the fuel used costs \$180 per ton and that the New Carissa consumed 28 tons per day while underway.

131	Chair George	Asks if its owners instructed the New Carissa to anchor at the time of the accident.
133	Richards	Replies that he is unsure. Suggests the owner would not tell them to conserve fuel by anchoring.
134	Chair George	Says that Oregonís coast seas are famous for being dangerous. Adjourns the meeting at 6:15 p.m.,

Submitted By, Reviewed By,

Patrick Brennan, Brad Harper,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ New Carissa Overview, informational materials, Langdon Marsh, 3 pp.**

**B ñ New Carissa Overview, overview of events, Dewayne Penberthy, 9 pp.**

**C ñ New Carissa Overview, informational materials, Bill Milwee, 57 pp.**

**D ñ New Carissa Overview, testimony, Kay Brown, 2 pp.**