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Codey Signs Bill to Increase Vessel Owner Liability for Spills

BRIDGETON – Acting Governor Richard J. Codey today signed A3643/S2311, a bill that increases liability limitation for owners and operators of vessels that discharge a hazardous substance in New Jersey's waters.

"Today we are sending a strong message to oil carriers," said Codey. "You can't spill in our river and get off easy."

"This law demands greater responsibility from oil and shipping companies that cause damage to our state's precious natural resources," added Codey.

Codey was joined by bill sponsors Senator Stephen M. Sweeney, Assembly members John J. Burzichelli and Douglas H. Fisher at a public bill-signing ceremony in Bridgeton.

The sponsors introduced the legislation in response to the Nov. 26, 2004 tanker accident in which the Athos I spilled an estimated 265,000 gallons of crude oil into the Delaware River. The spill, with a cost of \$176 million to date, was one of the most expensive in United States' history. Oil leaked into the river impacting 214 miles of coastline in New Jersey, Pennsylvania, Delaware and Maryland, killing more than 200 birds and injuring another 260.

The new law amends the Spill Compensation and Control Act of 1976. The Spill Compensation and Control Act protects New Jersey's residents from the adverse effects caused by spills of petroleum products or other hazardous substances. The act authorized the state to tax owners and/or operators of leaking vessels to assist with cleanup and removal costs.

"We've seen the environmental and property damage that a spill can have in our vulnerable watershed areas," said Adler (D-Cherry Hill). "Last year's oil spill in the Delaware River has made it clear that the old caps on liability aren't enough to realistically compensate the State and local residents for cleanup costs. We need to update the liability standards, so that residents aren't helpless in the face of a catastrophic spill."

Under the previous law, liability was limited to \$150 per gross ton for each offending vessel. This bill amends the act to increase the liability limit to \$1,200 per gross ton for

each offending vessel, up to a maximum of \$50 million. New Jersey law requires company payment regardless of the cause of the spill.

"Polluters must be held responsible for cleaning up any hazardous agents that might harm the environment," said Sweeney (D-Gloucester, Cumberland and Salem). "The previous law does not provide penalties that are stringent enough to seriously deter some shipping companies from continuing their harmful practices. This new law will force them to stand up and take the necessary environmental protection precautions."

The Athos I spill halted commercial and recreational traffic on the Delaware, killed hundreds of birds and other wildlife, and cost millions of dollars in restoration fees.

"An accident like that is far too costly to ignore," said Fisher (D-Cumberland). "Companies that transport hazardous waste need to take more accountability for their actions and take greater care to protect the environment while navigating state waterways."

"While the cause of a tanker leak may vary, the outcome is always the same -- environmental damage," said Burzichelli (D-Gloucester). "This measure will ensure that oil and shipping companies shoulder the responsibility for damage caused by such accidents, regardless of fault."

"It was almost a year ago that the Athos oil tanker spilled an estimated 265,000 gallons of crude oil into the Delaware River," said DEP Commissioner Bradley M. Campbell. "The cleanup required the work of nearly 1,600 people and cost more than \$170 million. Vessels that leak hazardous waste should be responsible for paying for the clean-up and restoring the environment."