

INFORMATION ITEM

Sponsor: Linda Swiss
Project number and name or topic: 6510 – Contingency Plan review

1. **Description of agenda item:** This informational item will provide the Board of Directors with an understanding of who pays for response and damages from an oil spill, the liabilities associated with a spill, and the legal implications of “responsible party.” Attorney Breck Tostevin, former assistant attorney general with the State of Alaska, will present on an explanation of the legal and financial requirements and differences between federal and state laws and regulations.
2. **Why is this item important to PWSRCAC:** It is important for the communities impacted by the *Exxon Valdez* oil spill to understand the financial and legal responsibilities companies operating tankers in Prince William Sound and the Valdez Marine Terminal have with respect to oil spills. The Council has sought clarity around these issues in connection to the recent transfer of BP’s interests in the Alaska North Slope, the Trans Alaska Pipeline System (TAPS), and the Valdez Marine Terminal to Hilcorp North Slope/Harvest Alaska. Financial liability requirements are an important incentive-based instrument for preventing oil spills, and for making sure that injured resources are restored to the extent possible. Seeking verification that the Prince William Sound shippers have the financial resources and commitments to pay for spills is an essential part of PWSRCAC’s mission of promoting the environmentally safe operation of the Valdez Marine Terminal and associated tankers.
3. **Previous actions taken by the Board on this item:** None.
4. **Summary of policy, issues, support, or opposition:** Understanding state and federal Certificates of Financial Responsibility (COFR) and the financial implications of COFR’s on oil spill costs are concerns shared by the communities impacted by the *Exxon Valdez* oil spill.
5. **Action Requested of the Board of Directors:** No action needed; information only.
6. **Attachments:** None.