

Shipping Safety Partnership

Anchorage, Alaska

December 7, 2005

TO: U.S. Attorney General Alberto Gonzales
Alaska Attorney General David W. Marquez
IMC Shipping Chairman Fred Tsao

FR: Richard Steiner, Facilitator, *Shipping Safety Partnership*

RE: **\$200 million settlement of government claims for natural resource damages caused by the December 2004 Selendang Ayu spill in Alaska**

Gentlemen,

On behalf of the *Shipping Safety Partnership*, we ask that government claims for natural resource damages caused by the 12/08/04 Selendang Ayu grounding and subsequent spill in the Aleutian Islands of Alaska be settled immediately for \$200 million. Settling the case now would sidestep years of costly litigation, and get much needed money to environmental restoration sooner rather than later.

The \$200 million amount requested from the vessel owner (IMC Group in Singapore) and its insurer (the Swedish Club) seems commensurate with preliminary reports of the extent and severity of environmental injury, sufficient to accomplish several reasonable restoration objectives, and clearly in the public interest. This amount would be over-and-above any claims by private parties and/or possible criminal claims by the government. In addition, we propose that the Responsible Party pay an amount of \$50 million to build two new ocean-rescue tugs to be stationed in the Aleutians.

For the \$200 million natural resource damage settlement, we propose that the governments immediately develop and implement a comprehensive restoration program that focuses on aiding the recovery of the injured marine ecosystem and providing other beneficial environmental offsets as mitigation, and that it be directed by the U.S. Fish and Wildlife Service's Alaska Maritime National Wildlife Refuge (AMNWR). Uses of the settlement funds could include control of rats on seabird nesting islands in the Aleutians; monitoring and control of marine pollutants; supporting a permanent North Pacific *Shipping Safety Partnership* to provide public oversight of Pacific shipping; establishing a marine science and interpretive center at Unalaska; and enhancing AMNWR management; research; and enforcement capabilities in the Aleutians.

As well, the public should be given the opportunity to review and consent to any settlement of government claims for this incident.

Thank you for your urgent attention to this matter.