



## ***FACT SHEET - The New Carissa***

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The stern section of the *New Carissa* lies just offshore near Coos Bay, in the North Spit area. 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 US Navy and command team to burn leaking fuel in the shipwrecked vessel resulted in it breaking in two. On Feb. 28/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 2, 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.

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 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 remaining 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 ship's owner, Green Atlas Shipping Company, to pay a \$25 million bond to the state.

After lengthy, unsuccessful 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 jury trial in Coquille, Oregon concluded on November 13, 2002. The 10-2 verdict found the defendants (*New Carissa* operator Taiheiyo Kaiun Co. Ltd. of Japan; owner Green Atlas Shipping of Panama; and manager TMM Co. Ltd. of Japan) guilty of negligent trespass and awarded the State of Oregon \$25 million to pay for removing the stern and offset attorney fees associated with the trial.

In January 2003, Green Atlas deposited \$25 million into a Department of Justice (DOJ) account after filing an appeal in December 2002. Oral arguments were scheduled for June 2006; however in May 2006, the State Land Board approved a settlement whereby the state would return \$5 million to Green Atlas, and keep the remaining funds in the account.

In February 2007, the Department of State Lands received the balance of the amount held in the DOJ client trust account (approximately \$23.35 million including interest) for removing the remaining wreckage of the *New Carissa* and to recoup legal costs.

The Department of State Lands on May 22, 2007, signed a \$16,428,500 contract with Titan, a worldwide marine salvage and shipwreck company, to remove the *New Carissa* wreckage by Oct. 1, 2008. See *Titan Fact Sheet for additional information on the company*.

Titan is in process of securing the necessary permits to proceed with the removal of the wreck in spring/summer 2008.

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