

MINUTE ITEM

23

12/23/86
PRC 2500
Lane

APPROVAL OF A SELF-INSURANCE PLAN
IN LIEU OF AN INSURANCE POLICY ON USS-POSCO
STATE LEASE PRC 2500

Calendar Item 23, attached, was pulled from the agenda prior to
the meeting.

Attachment: Calendar Item 23.

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CALENDAR ITEM

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12/23/86
PRC 2500
Lane

APPROVAL OF A SELF-INSURANCE PLAN IN LIEU OF
AN INSURANCE POLICY ON USS-POSCO STATE LEASE PRC 2500

APPLICANT: USS-POSCO Industries
Pittsburg Works
Loveridge Road
Pittsburg, California 94565

SITUATION:
By Calendar Item 03, the Commission, at its August 28, 1986 meeting, approved assignment of Parcel 1 of PRC 2500, General Lease - Industrial Use, of a 0.885-acre parcel of tide and submerged land, located in New York Slough, Pittsburg, Contra Costa County from USX (United States Steel) to USS-POSCO, effective March 31, 1986. USS-POSCO, a general partnership, is comprised of Pitcal, a subsidiary of USX, and Pohang Steel American Corporation, a subsidiary of Pohang Iron and Steel Co. Ltd.

Public liability insurance requirements for the assigned lease are \$500,000-\$1,000,000 per occurrence for bodily injury and \$100,000 for property damage. Because USX currently covers its upland interests and those of USS-POSCO with a self-insurance plan, they are requesting that the Commission consider approval of the plan to cover USS-POSCO's State leasehold interests by this means.

Staff has reviewed, in detail, a description of the plan and USX's Ten-K report. A copy of the certificate (No. 1091) issued by Department of Industrial Relations is on file in the State Lands Commission's office. All claims are handled through USX's Legal Department, Western Area Office, San Francisco.

USX has agreed to enter into a Letter of Agreement with the State which provides that (1) USX will submit its annual

certified financial report and other requested financial and safety information to Commission staff for review, and (2) in the event the State feels USX is unable to meet its deductibles, it reserves the right to require that USS-POSCO provide evidence of insurance coverage from a provider acceptable to the State.

USS-POSCO has applied to the Department of Industrial Relations for its own self-insurance plan. When, and if, its certificate is issued, USS-POSCO will request that the Commission approve its assumption of liability for the leasehold interests.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AS 884:

N/A.

OTHER PERTINENT INFORMATION:

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

EXHIBIT:

- A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

- 1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
- 2. APPROVE, EFFECTIVE NOVEMBER 18, 1986, THE SELF-INSURANCE PLAN PROPOSED BY USX TO COVER LEASE PRC 2500 HELD BY USS-POSCO.
- 3. APPROVE AND AUTHORIZE EXECUTION OF THE LETTER OF AGREEMENT BETWEEN USX (UNITED STATES STEEL) AND THE STATE LANDS COMMISSION, IN THE FORM ON FILE IN THE OFFICES OF THE STATE LANDS COMMISSION.

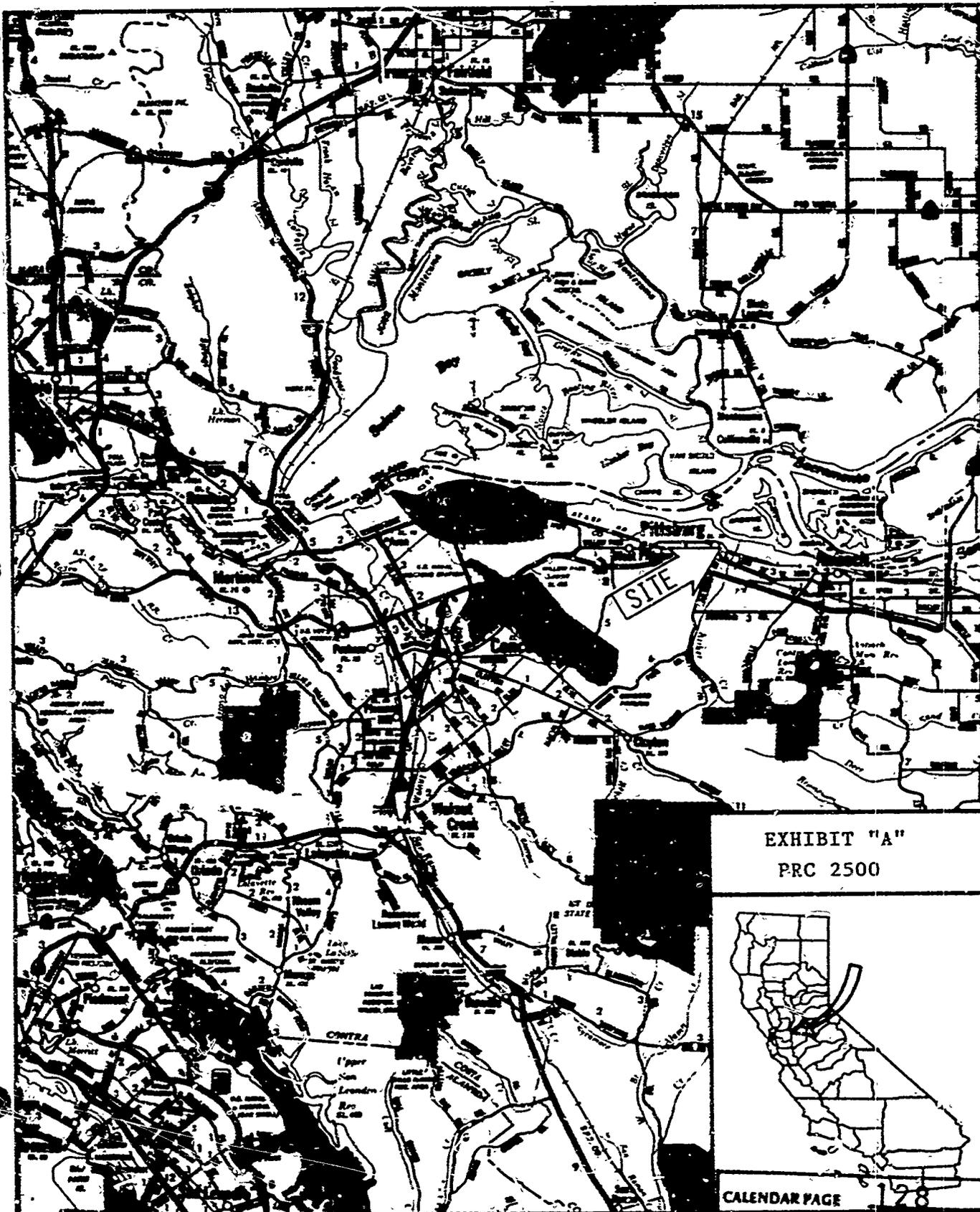


EXHIBIT "A"
 PRC 2500



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