

SEC. 603. LIMITS ON LIABILITY.

(a) Adjustment of Liability Limits.--

(1) Tank vessels.--Section 1004(a)(1) of the Oil Pollution Act of 1990 (33 U.S.C. 2704(a)(1)) is amended by striking subparagraphs (A) and (B) and inserting the following:

``(A) with respect to a single-hull vessel, including a single-hull vessel fitted with double sides only or a double bottom only, \$3,000 per gross ton;

``(B) with respect to a vessel other than a vessel referred to in subparagraph (A), \$1,900 per gross ton; or

``(C)(i) with respect to a vessel greater than 3,000 gross tons that is--

``(I) a vessel described in subparagraph (A), \$22,000,000; or

``(II) a vessel described in subparagraph (B), \$16,000,000; or

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``(ii) with respect to a vessel of 3,000 gross tons or less that is--

``(I) a vessel described in subparagraph (A), \$6,000,000; or

``(II) a vessel described in subparagraph (B), \$4,000,000;''.

(2) Other vessels.--Section 1004(a)(2) of such <<NOTE: 33 USC 2704.>> Act (33 U.S.C. 2794(a)(2)) is amended--

(A) by striking ``\$600 per gross ton'' and inserting ``\$950 per gross ton''; and

(B) by striking ``\$500,000'' and inserting ``\$800,000, ''.

(3) <<NOTE: 33 USC 2704 note.>> Limitation on application.-- In the case of an incident occurring before the 90th day following the date of enactment of this Act, section 1004(a)(1) of the Oil Pollution Act of 1990 (33 U.S.C. 2704(a)(1)) shall apply as in effect immediately before the effective date of this subsection.

(b) Adjustment to Reflect Consumer Price Index.--Section 1004(d)(4) of the Oil Pollution Act of 1990 (33 U.S.C. 2704(d)(4)) is amended to read as follows:

``(4) Adjustment to reflect consumer price index.--

The <<NOTE: President. Regulations. Deadline.>> President, by regulations issued not later than 3 years after the date of enactment of the Delaware River Protection Act of 2006 and not less than every 3 years thereafter, shall adjust the limits on liability specified in subsection (a) to reflect significant increases in the Consumer Price Index.''.

(c) <<NOTE: 33 USC 2704 note.>> Report.--

(1) Initial report.--Not later than 45 days after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit a report on liability limits described in paragraph (2) to the Committee on Commerce, Science, and Transportation of the Senate and the

Committee on Transportation and Infrastructure of the House of Representatives.

(2) Contents.--The report shall include, at a minimum, the following:

(A) An analysis of the extent to which oil discharges from vessels and nonvessel sources have or are likely to result in removal costs and damages (as defined in section 1001 of the Oil Pollution Act of 1990 (33 U.S.C. 2701)) for which no defense to liability exists under section 1003 of such Act and that exceed the liability limits established in section 1004 of such Act, as amended by this section.

(B) An analysis of the impacts that claims against the Oil Spill Liability Trust Fund for amounts exceeding such liability limits will have on the Fund.

(C) Based on analyses under this paragraph and taking into account other factors impacting the Fund, recommendations on whether the liability limits need to be adjusted in order to prevent the principal of the Fund from declining to levels that are likely to be insufficient to cover expected claims.

(3) Annual updates.--The Secretary shall provide an update of the report to the Committees referred to in paragraph (1) on an annual basis.