

Inasmuch as Mr. Gammelgard will also comment on the legislation now before you, my remarks will be limited to the effect of proposed section 19 of S. 2760, or H.R. 14000, on vessels.

We are aware that your concern, as members of Congress, is how to strengthen our laws to protect the Nation's harbors, rivers and coastlines. I can assure you that we, in the petroleum industry, recognize that both Federal law and international agreements need revision in order to afford adequate protection.

Those of us who operate tanker fleets recognize that we—along with all those who transport oil or other substances capable of causing pollution—have a responsibility not only to try to prevent pollution, but also to act swiftly to minimize potential damage from a discharge or substances into the environment.

There is ample testimony to our acceptance of this responsibility in the many voluntary actions oil companies have taken to remove spills, restore beaches affected by oil spills, and to cooperate with local authorities in many harbor areas in purchasing and maintaining equipment to contain and remove spilled oil.

Many oil companies have been, and are continuing to spend considerable time and money in research on new and more effective dispersants and emulsifiers to lessen the harmful effects of an oil spill and in the design of fixed and portable standby booms to be used from ships or shore. Also, through our so-called load on top procedures, and rigidly enforced controls during loading and unloading operations, we have made great progress toward eliminating pollution during our normal operations.

Since it is our understanding that section 19 of S. 2760 is intended to affect all vessels—including tankers, dry-cargo and passenger vessels, smaller commercial vessels, such as barges and tug boats on our rivers and harbors, plus pleasure craft—we fully support its basic objectives. Without some modifications, however, we can foresee some very real problems in achieving its basic objectives.

It will be our purpose in this statement to enumerate the problems we see in the bill and suggest ways in which they might be overcome and the bill might be made more effective and workable.

We should like to turn, at the outset, to what we feel is the most important part of the bill, namely section 19(e) dealing with removal of oil spills.

FINANCIAL CAPABILITY OVERLOOKED

This section, as written, does not, in our view, accomplish the basic objective we all hope to achieve—namely the establishment of an effective legal and monetary program for recovery of the costs of removing an oil spill. We can foresee a variety of circumstances under which it would be impossible for the Secretary of the Interior to recover the costs of oil removal from the party who caused the spill.

For example, a small vessel operator with limited overall assets could be virtually bankrupt as a result of an accident resulting in pollution. Another instance might be that of a company whose sole asset consists of one ship—and if that ship were seriously damaged or lost in the accident involving pollution—where could the cleanup funds come from?