In closing, I should like to thank the committee, in behalf of the American Petroleum Institute, for this opportunity to appear here today. We sincerely hope our comments will assist you in making this bill a more effective and workable instrument.

Thank you.

Mr. BLATNIK. Thank you very much for the statement, Mr. Checket.

Mr. Gammelgard, do you want to continue with the statement or will this be the presentation for the panel?

Mr. GAMMELGARD. I think if you asked your questions on Mr. Checket's part of our presentation, Mr. Chairman, that would probably be better.

DISCUSSION OF WITNESS' RECOMMENDATIONS

Mr. BLATNIK. My questions will be few at this point. There is a lot to digest in what is obviously a well-thought-out paper.

At the outset, the suggestion, recommendation of an insurance type guarantee provision to insure financial capability to protect those who are injured by an oil spill as such is an intriguing one. It is the first time that it has been offered or presented before this committee in the presence of the chairman and it seems to make sense.

Would I be correct if I were to say just to have a punitive provision alone would not give too much guarantee to the parties that are injured by an oil spill, either beach property owners or private residents, or resort owners, or whatever they may be? Would I be correct in assuming to punish say a small operator with very limited fiscal means, give him a penalty provision, to try to squeeze some money out of him would be like the old debtors' law where a fellow in debt too long was thrown in prison until he paid his debt? He would never have an opportunity to get out of jail to earn money to pay his debt, so it is a self-defeating thing.

Mr. CHECKET. You are quite correct, Mr. Chairman.

Mr. BLATNIK. You do have an excellent point there. The party that is being hurt by them wants it removed regardless of who is responsible for it.

Your recommendation shall receive our careful review and much more, certainly, validation than is possible in this limited time in this cursory review of the recommendations, and we assure you it shall be given very careful scrutiny.

On page 9 you state, in the middle of the page, you recognize that action to remove a spill must be taken promptly, and so forth. Therefore, while recommending that liability for the cost of removing a spill, and so forth, should be predicated on fault: "We suggest further changes which would be fair and would, at the same time, encourage a shipowner to promptly remove a spill, irrespective of fault."

I am not quite clear who would make a determination on fault and who particularly would make a determination as to who should do the actual cleaning up?

Mr. CHECKET. Mr. Chairman, what we are suggesting here is that, particularly in the one example, the ship, even if it was rammed by another ship, that the ship polluting or causing the discharge would not wait to worry whether the other fellow was at fault, but he should