vessel involved. In such a situation, it may be fair to presume, at least until the vessel owner has offered evidence to the contrary, that the discharge was due to negligence. In the case of tugs and barges operating on the inland waterways and close to shore, however, the likelihood of complete disappearance of all evidence is practically nil. The vessel or vessels involved can be examined, and witnesses can be found. There seems no reason, therefore, to change the ordinary rules of evidence. The Government, with its resources of able legal and investigative staff and the powers of discovery under the Federal rules, should have no difficulty in establishing negligence if there was negligence.

2. *Liability without limit.*—Combined with liability without fault is an even more disturbing feature of this subsection, the fact that the liability imposed is without limit. Except for perhaps the largest oil companies, who may be financially strong enough to act as self-insurers, most owners and operators will have to resort to insurance to protect themselves against the liability imposed by this bill. So far as AWO has been able to determine, however, there are no underwriters in this country or Great Britain willing to write insurance against unlimited liability. This fact means that, while undoubtedly owners and operators would increase their coverage as a result of the bill, they could well remain ultimately exposed to an uninsured liability that in the case of smaller companies might wipe them out.

TUG AND BARGE OPERATIONS DIFFER FROM THOSE OF SEAGOING VESSELS

This risk is particularly serious in the case of tug and barge operators, which, typically, are small companies operating one to three tugs, or perhaps no more than a single barge, and whose resources are therefore limited.

We therefore strongly support the position of the American Petroleum Institute and other witnesses who have urged that some limitation of liability must be established.

We do not agree, however, with the amount of the limitation proposed by the American Petroleum Institute. The API formula of $250 per gross registered ton with an overall limit of $8 million, appropriate though it may be for tankers that carry up to 100,000 or 300,000 tons of oil, is not appropriate for the circumstances of barge operations.

The largest tank barges seldom carry more than 3,000 tons or 20,000 barrels. Their gross registered tonnage is seldom more than about 1,300 tons. The API formula, however, would establish a liability of over $300,000 for each of such barges, although their cost now is only about $150,000 apiece. In other words, the proposed limitation would be about double the value of a new barge and could well be many times greater than the limit of liability under existing law. In contrast, the API formula, when applied to a $20 million supertanker, would limit liability to less than 50 percent of the owner's investment in the tanker.

At the same time, the dangers of damage from barge transportation are in an entirely different order of magnitude from those of ocean tanker operation. Tank barges are built with a number of compartments, rarely less than six and running up to 12. The largest compartment carries no more than 4,000 barrels or 600 tons. Most are smaller, say, 2,200 barrels or 300 tons. The usual accident involves the holing of one compartment. Frequently a damaged vessel can be brought to