

STATEMENT OF SECRETARY SAMUEL K. SKINNER
DEPARTMENT OF TRANSPORTATION
SENATE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION
CONCERNING GROUNDING OF THE EXXON VALDEZ

APRIL 6, 1989

THANK YOU VERY MUCH AND GOOD MORNING, MR. CHAIRMAN. I AM PLEASED TO MEET WITH YOU AND THE OTHER DISTINGUISHED MEMBERS OF THIS COMMITTEE TO DISCUSS THE DEPARTMENT OF TRANSPORTATION'S EFFORTS CONCERNING THE GROUNDING OF THE TANKER EXXON VALDEZ AND THE RESULTING OIL SPILL IN PRINCE WILLIAM SOUND.

AT PRESIDENT BUSH'S REQUEST, EPA ADMINISTRATOR REILLY, ADMIRAL YOST, AND I WENT TO PRINCE WILLIAM SOUND TO OVERSEE THE FEDERAL EFFORT AND ASSURE THAT EXXON, AS VESSEL OWNER, WAS DOING EVERYTHING POSSIBLE TO MINIMIZE ENVIRONMENTAL DAMAGE. I WANTED TO MAKE SURE THAT EFFORTS WERE CONCENTRATED ON PREVENTING A GREATER SPILL BY OFFLOADING EXXON VALDEZ' REMAINING CARGO, AND CONTAINING OIL ALREADY SPILLED -- AND THE FIRST STEP WAS ACTIVATING THE CLEANUP EFFORT.

I WOULD BEGIN BY MAKING THREE POINTS: FIRST, THE NATIONAL TRANSPORTATION SAFETY BOARD IS INVESTIGATING THE ACCIDENT AS A WHOLE, WHILE OTHER AUTHORITIES, INCLUDING THE COAST GUARD AND THE ALASKA ATTORNEY GENERAL'S OFFICE, ALSO PURSUE NECESSARY

INVESTIGATIONS. IT IS TOO EARLY TO HAVE FACTUALLY ADEQUATE EVIDENCE OF CULPABILITY AND IT IS THEREFORE INAPPROPRIATE TO PLACE BLAME. FOR THE MOMENT, I BELIEVE THAT EXXON, AS A PARTY WITH PRIMARY RESPONSIBILITY FOR CLEAN-UP, IS MAKING EVERY EFFORT TO FULFILL ITS RESPONSIBILITIES IN THAT AREA. WE STILL HAVE MILLIONS OF GALLONS OF OIL IN THE WATER, AND WE ALL SHOULD BE CONCENTRATING OUR TIME AND ENERGY ON MINIMIZING THE DAMAGE THAT OCCURS.

SECOND, WHILE I AM CONFIDENT THAT HUMAN ERROR WILL BE DEALT WITH APPROPRIATELY DURING THE COURSE OF THIS INVESTIGATION, WE WOULD MISS THE LARGER POINT IF WE LEAVE IT AT THAT. MY MIND IS NOT CLOSED ON THIS, BUT MY IMPRESSION IS THAT A SOMEWHAT OVER-OPTIMISTIC ATTITUDE CREPT IN ABOUT OUR READINESS AND ABILITY TO DEAL WITH A SPILL OF THIS MAGNITUDE, OR EVEN THAT AN ACCIDENT OF THIS SIZE COULD OCCUR. THE INDUSTRY/GOVERNMENT CONTINGENCY PLANNING WAS BASED ON AN ASSUMED SPILL LEVEL THAT WAS QUICKLY EXCEEDED. THE INDUSTRY DID NOT HAVE ENOUGH EQUIPMENT ON HAND. THIS WAS COMPOUNDED BY THE REMOTE LOCATION OF THE SPILL, BUT IT GOES WITHOUT SAYING THAT EVERY STEP OF THE PLANNING FOR MOVING ALASKAN OIL BY WATER HAD TO ASSUME A SPILL IN JUST THIS LOCALE.

ADMIRAL YOST AND I HAVE OVERSEEN THE COAST GUARD RESPONSE, AND I AM SATISFIED WITH IT, PARTICULARLY THE ABILITY OF COAST GUARD PERSONNEL TO SHIFT FROM PATROL AND OTHER DUTIES TO SUPERVISING CLEAN-UP EFFORTS. HOWEVER, I THINK ANY SITUATION SUCH AS THIS CALLS ON US TO ASSESS OUR CONTINGENCY PLANS, AS WELL AS THOSE OF THE INDUSTRY AND THE STATES, AND ENSURE THAT THEY ARE UPDATED

ACCORDINGLY. IN ORDER TO MINIMIZE THE FACTOR OF HUMAN ERROR, THERE MUST BE AN ADEQUATE PREVENTION PLAN.

THIRD, MY INSTINCT IN A SITUATION OF THIS NATURE IS NOT TO THROW UP OUR HANDS AND CONCEDE THAT WE CANNOT DO BETTER WITH THE OCEAN TRANSPORTATION OF PETROLEUM -- THAT THE ONLY ADVISABLE COURSE IS TO MINIMIZE RELIANCE ON OCEAN SHIPMENTS. OUR ENERGY INDEPENDENCE IS TOO IMPORTANT FOR THAT. IT IS INDEED APPROPRIATE THAT THE JURISDICTION OF THIS COMMITTEE CROSSES THE FULL SPECTRUM OF THIS QUESTION -- FROM THE IMPORTANT ENVIRONMENTAL CONCERNS OVERSEEN BY THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION TO COAST GUARD AND THE MANY QUESTIONS OF INTERSTATE AND FOREIGN COMMERCE AND OUR TRANSPORTATION NETWORK.

STEPS CAN BE TAKEN. THIS COMMITTEE ORIGINATED LEGISLATION THAT AUTHORIZES ACCESS TO THE NATIONAL DRIVER REGISTER BY THE FAA FOR AIRMEN AND TO RAILROADS FOR HIRING LOCOMOTIVE ENGINEERS. THAT LEGISLATION IS NOW ON THE BOOKS, AND WE ARE CONSIDERING WHETHER IT CAN BE USEFULLY EXTENDED TO THE COAST GUARD CERTIFICATION PROCESS FOR LICENSED SEAMEN. AS YOU KNOW, THE MASTER OF THE EXXON VALDEZ HAD A RECORD OF DWI CONVICTIONS, AND HE DID NOT ACKNOWLEDGE THEM IN SEEKING RENEWAL OF HIS LICENSE WITH THE COAST GUARD.

IT IS ALSO TIME TO REASSESS THE NEED FOR COMPREHENSIVE OIL SPILL LIABILITY AND COMPENSATION LEGISLATION. LEGISLATION HAS PASSED THE HOUSE TWICE, BUT IT HAS FOUNDERED IN THE SENATE. THIS ADMINISTRATION WOULD BE PLEASED TO WORK WITH THE ENVIRONMENT AND

PUBLIC WORKS COMMITTEE AND ANY OTHER INTERESTED PARTIES TO RESTART THE PROCESS. I KNOW SENATOR BREAUX, AS A MEMBER OF THIS COMMITTEE, HAS BEEN A REAL ADVOCATE OF RESPONSIBLE LEGISLATION ON THIS SUBJECT.

THE HOUSE PASSED A BILL DEALING WITH LIABILITY FOR OIL SPILLS IN THE 99TH CONGRESS. H.R. 1465 RECENTLY INTRODUCED IN THE HOUSE REPRESENTS A RENEWED EFFORT IN THIS AREA. THE BUSH ADMINISTRATION COMMITS ITS RESOURCES TO WORKING WITH CONGRESS ON REPOSIBLE LEGISLATION TO ADDRESS THIS PROBLEM.

THE VALDEZ SPILL ILLUSTRATES DRAMATICALLY THE VULNERABILITY OF OUR COASTS AND RIVERS TO THE CONTINUING THREAT OF OIL POLLUTION. IN THIS CASE THE SPILLER -- EXXON -- HAS STATED THAT IT TAKES RESPONSIBILITY FOR CLEANUP AND DAMAGES AND THEY HAVE THE FINANCIAL RESOURCES TO DO THE JOB. BUT IF THE SPILL WERE FROM A FOREIGN FLAG TANKER NOT CARRYING ALASKA OIL, AND WHOSE OWNER HAD FEW OTHER RESOURCES, THERE WOULD BE NO MEANS UNDER CURRENT LAW TO ASSURE THAT DAMAGE COSTS ARE MET. CLEARLY, AN ALTERNATIVE IS NEEDED.

MOREOVER, A SIGNIFICANT PROPORTION OF THE CRUDE OIL ARRIVING IN THE UNITED STATES IS NOT EFFECTIVELY COVERED BY THE FOUR EXISTING U.S. STATUTES -- SECTION 311 OF THE CLEAN WATER ACT AND SPECIFIC PROVISIONS ON OIL POLLUTION LIABILITY IN THE OUTER CONTINENTAL SHELF, DEEPWATER PORTS, AND TRANS-ALASKA PIPELINE ACTS.

THE SENATE COULD ALSO ADDRESS THE PROBLEM BY RATIFYING THE 1984 PROTOCOLS ADOPTED AT THE INTERNATIONAL MARITIME ORGANIZATION DIPLOMATIC CONFERENCE CONVENED IN 1984 TO UPDATE 1969 AND 1971 CONVENTIONS DEALING WITH SEA-GOING TANKER OIL POLLUTION. SENATE ADVICE AND CONSENT TO RATIFICATION OF THE PROTOCOLS WOULD DEMONSTRATE OUR COMMITMENT TO HIGHER, UNIFORM INTERNATIONAL STANDARDS, AND WOULD GREATLY IMPROVE COVERAGE FOR UNITED STATES CITIZENS, SPEED AND CERTAINTY OF RECOVERY, AND CONSISTENCY OF REQUIREMENTS FOR SHIPPERS. JURISDICTION IS ESTABLISHED IN THE COURTS OF THE COUNTRY WHERE DAMAGE OCCURS, AND RECOVERY IS BACKED BY COMPULSORY INSURANCE.

BECAUSE THE PROTOCOLS ESTABLISH AN EXCLUSIVE SHIPOWNER LIABILITY REGIME, THIS WOULD MEAN THE PHASE-OUT OF DUPLICATIVE STATE LIABILITY REGIMES. HOWEVER, STATES WILL BE ABLE TO MAINTAIN FUNDS WHICH FINANCE THE PURCHASE OR PREPOSITIONING OF CLEANUP AND REMOVAL EQUIPMENT AND WHICH OTHERWISE PROVIDE PROTECTION FOR THEIR CITIZENS FROM OIL POLLUTION INCIDENTS.

WHEN I APPEARED BEFORE THE ENVIRONMENT AND PUBLIC WORKS COMMITTEE JANUARY 26 FOR A COURTESY VISIT FOLLOWING MY CONFIRMATION APPEARANCE BEFORE THIS COMMITTEE, I STRESSED THE CHALLENGE WE FACE AND THE CRITICAL ROLE OF THE COAST GUARD IN PROTECTION OF THE OCEAN ENVIRONMENT. I SAID

"A PATCHWORK OF DOMESTIC STATUTES AND INTERNATIONAL AGREEMENT FORMS THE LEGAL BASIS FOR THE COAST GUARD'S MARINE

ENVIRONMENTAL PROTECTION PROGRAMS. I AM PART OF AN ADMINISTRATION THAT HAS PLEDGED GREATER ATTENTION TO ENVIRONMENTAL PROTECTION, SO I ASSURE YOU THAT I WILL WORK WITH [THE] COMMITTEE TO REVIEW THE NEED FOR STRONG MEASURES TO STRENGTHEN AND CONSOLIDATE OIL SPILL LIABILITY AND COMPENSATION TO PROVIDE BETTER PROTECTION FOR OUR ENVIRONMENT AND A FASTER SYSTEM FOR COMPENSATING THE VICTIMS OF OIL POLLUTION."

I THINK THE TIME HAS COME TO TAKE THIS NEXT STEP, AND I WOULD URGE THAT THE APPROPRIATE COMMITTEES OF CONGRESS COMMIT TO AN EFFORT IN THIS AREA.

MR. CHAIRMAN, THIS COMPLETES MY STATEMENT. I WOULD BE PLEASED TO RESPOND TO ANY QUESTIONS.