

# Gulf Coast Mariners Association



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**NATIONAL MAGAZINE ARTICLE  
CRITICAL OF THE COAST GUARD  
ELICITS COMMENTS FROM GCMA**

### **The Prestige's Oozing Crude Sparks Debate**

*[Insight on the News, Feb. 18- Mar. 3, 2003, pgs. 10, 11. The Watchers, by Martin Edwin Andersen. Mr. Andersen is a reporter for Insight magazine, a bi-weekly publication of the Washington Times Corporation. GCMA mariners can reach Mr. Anderson with tips on governmental waste, fraud and abuse of power at InsightWatchers@AOL.com, by phone at (202) 636-8800 or by fax at (202) 529-2484. The entire text of both articles is reprinted for GCMA internal use only.]*

The ooze from last November's sinking of the oil tanker *Prestige* off Spain's Atlantic coast sparked mass protests in the province of Galicia and closed beaches in nearby France. Now it soon may reach the tidewater basin of the Potomac River estuary in Washington. At issue: whether the U.S. Coast Guard's relationship with the quasi-official American Bureau of Shipping (ABS) is in fact too close, or whether complaints about it are merely grouching from disgruntled Coast Guard staff. This one, *the watchers* believes, will require the solons of Capitol Hill to exercise some Solomonic discernment in sorting it all out.

Some basic facts are without dispute. For example, the functional approval of all shipboard engineering systems, including that of the *Prestige*, is performed by the ABS, which on Nov. 14 (2002) confirmed that it was the "classification society of record" for the Bahamian-flagged *Prestige*. It also is true that both the Coast Guard and the ABS have been tasked increasingly with new mandates concerning maritime safety and standards.

Angry Coast Guard sources question whether the relationship between ABS and their service is in fact too cozy, with the former becoming a postretirement sinecure for top Coast Guard brass. In the words of a

retired Coast Guard whistle-blower, several of these former officials while on active duty have given increased "empowerment authority to ABS to perform inspections/certification on behalf of the Coast Guardócreating a statutory monopoly".

In this way, it is claimed, the Coast Guard allegedly becomes a bulwark for ABS's future so that the retired brass will have top-level positions to fill upon their retirement. The alleged less-than arm's-length relationship with ABS, the argument runs, affects the standards used to judge the suitability of ships at sea. "Truth is," charges one source, "there are many such tankers such as the one in Spain operating in our waters, and everyone in the respective Coast Guard office knows that [even] double-bottom tankers offer no protection from grounding, collisions, spills, etc."

One Coast Guard insider tells *the watchers*: "Many tankers operate in U.S. waters that are not flagged in the United States. For instance, only one of Mobil Oil's fleet of 30-plus tankers is US.-flagged [in keeping with the Jones Act], while others carry Liberian, Bahamian, or other flags. Much was made out of the poor standards of the flag of convenience flown [by the *Prestige*]. However, there are many tankers owned by U.S. firms that elect to fly foreign flags, which is permitted by U.S. rules."

Critics point to a memorandum of understanding between the naval service and the ABS "concerning delegation of vessel inspections and examinations, and tonnage measurement, and acceptance of plan review and approval" as proof of the need to exercise greater oversight of the authorities conferred upon the ABS by the Coast Guard. The document was signed on Jan. 12, 1995, by then Coast Guard Commandant Robert Kramek and ABS Chairman and Chief Executive Officer Frank J. Iarossi. In June 1998, Kramek was appointed as head of ABS's Americas division. In August 2000, a former Coast Guard Vice Commandant was appointed as ABS's vice president in charge of technology. According to a retired Coast Guard whistle-blower, "many other ex-Coast Guard brass" have been placed in top ABS management positions.

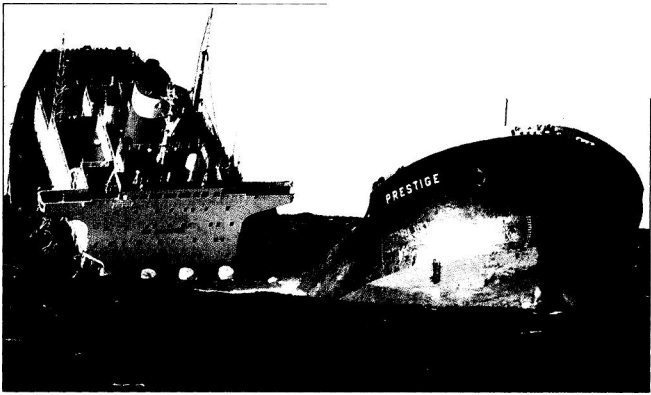
Those with long memories will remember Iarossi's own unenviable brush with an oil-spill scandal. As president of the Exxon Shipping Co. in 1989, it was Iarossi who faced angry crowds during the textbook public-relations disaster that followed the dumping of some 260,000 barrels of crude into Alaska's erstwhile pristine Prince William Sound by the *Exxon Valdez*. A year after the spill, Iarossióa graduate of the Coast Guard Academyóleft Exxon to become ABS president.

There is, of course, another side to this story. ABS bills itself as "one of the world's leading ship-classification societies" and as "the market-share leader in offshore classification worldwide", with a "primary purpose of determining the structural and mechanical fitness of ships and other marine structures for their intended purpose". According to the ABS Website, its worldwide membership, including

shipping executives, extends to people "drawn from various sectors of the marine, offshore, and related industries worldwide."

While agreeing that honorable people can disagree on the appearances resulting from ABS's relationship with the Coast Guard, Stewart Wade, vice president of the nonprofit ABS, tells *the watchers* that although it is true that the bureau's mandates have been getting larger, this fact is not due to collusion but the result of the explosive growth of recent international agreements. "The regulatory burden imposed by the International Maritime Organization is constantly increasing," Wade points out, adding that many functions now carried out by ABS reflect Coast Guard desires to outsource responsibilities.

Wade says that of the 10 top classification societies in the world, half are government-run and one is a trust. Furthermore, Wade says, the specificity of the work is such that few people possess the kind of skills it requires, and many in the pool are former Coast Guard officers. "Their interests are very close to our interests," Wade says, calling the relationship "symbiotic."



**IS SAFETY THE CONCERN OF  
U.S. COAST GUARD?**

*[Insight on the News, Apr. 15- 28, 2003, p. 11. The  
Watchers, by Martin Edwin Andersen.]*

Concerns about the U.S. Coast Guard's alleged "revolving-door" relationship with the maritime industry [see *the watchers*, Feb. 18 - March 3] appear to have received dramatic confirmation from the Gulf Coast Mariners Association (GCMA). Officials of that group tell *the watchers* that mariners working on the country's more than 5,200 towing vessels daily face dan-

gerous conditions that often result in tragedy but are not subject to Coast Guard inspections.

The Coast Guard, it seems, has been all too protective of the private maritime industry, where many of its retirees go for well-paid civilian jobs after leaving federal service. The lack of a full-inspection program for the industry's tugs, towboats, offshore supply boats,<sup>(1)</sup> and small passenger vessels<sup>(1)</sup> appears to be a substantial contributing factor in a series of fatal accidents and oil spills in the last decade ranging from collapse of a South Padre Island, Texas, bridge to the spilling of 818,000 gallons of oil along the Rhode Island coast. <sup>[<sup>(1)</sup>GCMA Correction: OSVs and small passenger vessels are both examples of "inspected" vessels; most tugs and towboats remain "uninspected." Refer to GCMA Report #R-276, Rev. 4.]</sup>

GCMA Secretary Richard A. Block says the maritime force ought to develop regulations to inspect towing vessels, to protect both the estimated 32,000 mariners who work on them and the general public whose health and safety are jeopardized by substandard vessel operations.

Lax or nonexistent Coast Guard rules, the GCMA points out, may have been responsible for the May 28, 2002, bridge collision in Webbers Falls, Okla., that resulted in 14 fatalities. Block and others say the annual average fatality rate for the industry was estimated in a confidential 1994 Coast Guard memorandum to be 72 per 100,000 a "political bombshell, well above [three to eight times] the national industry average".

Three months later, then Coast Guard commandant Adm. Robert Kramek, currently head of the Americas Division of the American Bureau of Shipping, an industry classification society, claimed that an inspection study "concludes that a full-inspection program [for uninspected towing vessels] is not a cost-effective way to reduce towing-vessel casualties". That judgment still stands as Coast Guard policy.

"You cannot have effective 'inspection' unless you first have effective regulation; 'Block tells *the watchers*. "Working conditions our mariners on uninspected towing vessels must face today are far beneath the safety standard of Coast Guard-inspected vessels of the same size and horsepower." Block says the Coast Guard's continuing stance probably reflects lack of knowledge about the hazardous working conditions on many towing vessels. Or maybe, he adds, it reflects "an overwhelming desire to kiss up to the industry boat owners to keep the revolving door between industry and the Coast Guard open and well oiled.