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Peter J. Schrappen, CAE
Vice President – Pacific Region

March 8, 2024

Ms. Diana Davis
Department of Ecology, Northwest Regional Office
Spill Prevention, Preparedness, and Response Program
P.O. Box 330316
Shoreline, WA 98133-9716

RE: Chapter 173-187 WAC Financial Responsibility Proposed Rule Language

Dear Ms. Davis:

The American Waterways Operators (AWO) is the tugboat, towboat, and barge industry's advocate, resource, and united voice for safe, sustainable, and efficient transportation on America's waterways, oceans, and coasts. Our industry is the largest segment of the U.S.-flagged domestic maritime fleet and the most sustainable mode of freight transportation, producing 43 percent less greenhouse gas emissions than rail and more than 800 percent less than trucks. On behalf of AWO's more than 300 member companies, we appreciate the opportunity to comment on the Chapter 173-187 WAC Financial Responsibility Proposed Rule Language.

Washington state is an important hub for maritime transportation on the West Coast. Fifteen AWO member companies are headquartered in Washington, with more operating throughout the state's waterways. The tugboat, towboat and barge industry contributes \$6.1 billion annually to the state's economy, moving over 119 million tons of freight and supporting 22,500 jobs. AWO has worked collaboratively with the Department of Ecology (ECY) over the years on a range of policy issues, including spill response and tug escort rules, and has served as an industry representative on the Oil Spill Rulemaking Advisory Committee, the Columbia River Vessel Traffic Management Working Group, the Safety Assessment Working Group, and the Board of Pilotage Commissioners' Oil Transportation Safety Committee.

AWO has a track record of working with government and private sector stakeholders to ensure safe, sustainable, and environmentally sound navigation and our members take care to implement effective and appropriate risk mitigation measures while operating in Washington state waters. We thank ECY for consistently engaging with industry throughout this process and for incorporating multiple AWO recommendations into the proposed rule language. Given the interstate nature of the maritime industry, the most successful policies are those that reflect

parity with adjacent states and recognize that recognizes that vessels are mobile assets that can be moved with as little as an hour' notice and perform a variety of functions. The proposed rule does this.

However, to improve the rule further for all stakeholders, AWO recommends amending the definition of "Verification of Financial Responsibility" to mean:

"Verification from Ecology for a covered vessel that has demonstrated the vessel is currently a member of a P&I club that provides appropriate financial responsibility amounts in Washington state as required under these rules or has been approved for a certificate of financial responsibility by another state or federal agency where financial responsibility is in the amount of or greater than the amounts required under these rules."

ECY created the verification process to expedite certificates of compliance for vessels that have Protection and Indemnification (P&I) Club membership. P&I Clubs cover oil pollution risk up to the maximum amount the state requires and ECY has confirmed that the certification includes all information necessary to quickly verify if a vessel is covered. However, P&I Club membership is not the only insurance option available to vessel owners. Operators should not be excluded from the verification for financial responsibility process if they are able to demonstrate that they have a certificate of financial responsibility issued by another state or federal agency in the amount that meets Washington state's financial responsibility requirements.

Thank you for the opportunity to comment on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Schrapfen". The signature is written in a cursive, flowing style.

Peter Schrapfen, CAE
Vice President – Pacific Region