

Statement of

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Subcommittee on Coast Guard and Maritime Transportation  
Committee on Transportation and Infrastructure  
United States House of Representatives  
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Good morning Mr. Chairman and Members of the Committee:

My name is Mario Muñoz. I am Vice President of Vessel Operations for American Commercial Lines (ACL) and I served as one of the Incident Commanders during the New Orleans oil spill response. I'm here today to talk about the events that transpired following the sinking of ACL's 10,000 barrel double-hulled tank barge in the early morning hours of July 23<sup>rd</sup> in New Orleans Harbor.

First, I want to express that I am deeply disappointed that this accident occurred and oil was released into the Mississippi River. While we were not operating the towboat involved in the incident, we immediately took action to mitigate the effects of the spill. We are a leader in the industry in safety and environmental stewardship and we are committed to working with this committee, the Coast Guard and the American Waterways Operators to eliminate spills on the inland waterways.

American Commercial Lines, based in Jeffersonville, Indiana, is an integrated marine transportation and service company operating in the United States Jones Act trades. ACL's 2007 revenue was approximately \$1 billion and it employs approximately 3,300 people in 36 states with concentrations in Kentucky, Indiana, Louisiana, Illinois, Mississippi, Missouri and Tennessee. With approximately 2,700 barges and 130 towboats in our fleet, ACL moved over 40 billion tons miles of freight in the United States last year.

One of ACL's core values is safety – never compromising the safety of people, the environment, property or equipment. Our unwavering commitment to safety is demonstrated by our leading safety records in both the barge transportation and ship building industries and by our voluntary participation in the chemical industry's Responsible Care initiative, the American Waterways Operators Responsible Carrier Program, Indiana's Environmental Stewardship Program, and Kentucky's Excel Program. ACL's leadership in environmental management has been widely recognized. In January 2008, ACL was the first marine transportation company to be named as a member of the U.S. Environmental Protection Agency's National Environmental Performance Track program. In July 2008, we received the William M. Benkert Marine Environmental Protection Award from the U.S. Coast Guard for outstanding achievements in marine environmental protection, and in September 2008, our manufacturing division, Jeffboat, will receive a 2008 Governor's Award for Environmental Excellence from the Indiana Department of Environmental Management.

In my testimony, I will briefly describe ACL's business relationship with DRD Towing. I will also provide a sequence of events describing the oil spill recovery operation and an update on the current status of the cleanup. Finally, I will reiterate our continued support for regulatory action to further enhance safety on the inland waterways system.

As a native of New Orleans, I understand South Louisiana's exceptional culture, our most important wetlands, and the vital contributions our region makes to the Nation's economy. I am pleased that our teamwork under the Incident Command System (ICS) resulted in an extremely effective oil spill response. On that note, I want to express my sincere appreciation for the leadership and assistance provided by the United States Coast Guard, the State of Louisiana and the Governor's Office, the City of New Orleans, Orleans Parish, Jefferson Parish, Plaquemines Parish, St. Bernard Parish, NOAA, U.S. Fish and Wildlife, the U.S. EPA and the U.S. Corps of Engineers.

DRD Towing is an independent towing contractor based in Greater New Orleans that provides towing services for a number of competing barge companies, including ACL. For over ten years, ACL had contracted with DRD Towing to provide local barge shifting and towing services.

The towboat that was involved with the New Orleans spill is named the *M/V Mel Oliver* and is owned by ACL. On July 23, 2008, the *M/V Mel Oliver* was operated and crewed by DRD Towing under long-term bareboat and time charter contracts. DRD Towing was required to comply with all applicable State and Federal regulations related to the operation of the vessel. Consistent with the terms of the charter agreements, the *M/V Mel Oliver* was under the custody and control of DRD Towing at the time of the incident. DRD Towing was solely responsible for operation of the *M/V Mel Oliver* and the safe towing and navigation of the barge.

ACL has and will continue to fully cooperate with this Committee and the United States Coast Guard to understand the cause of this collision. We look forward to the findings of the Coast Guard's comprehensive investigation and hope there will be lessons learned to advance marine safety and security on the inland waterways system.

Now let me turn to the first phase of our spill response and recovery effort.

The collision occurred at about 1:30 AM CDT. Under the Oil Pollution Act of 1990 (OPA 90), a carrier of petroleum products must identify a Qualified Individual who is responsible for initiating action in the event of a spill. Within minutes of the event, ACL's Qualified Individual was notified through the management of the oil terminal where our barge had been loaded that a collision had occurred and there was a potential spill.

Rather than waiting for the other parties who were operating the vessels involved in the collision to act, we put our oil spill response plan into action. ACL has established relationships with Oil Spill Response Organizations (OSROs) throughout the inland waterways system. OSROs provide pre-positioned oil spill response materials, equipment and trained personnel ready for deployment. Within minutes of our notification, ACL activated our local OSROs and directed them to engage a potentially major spill in the New Orleans Harbor.

Within 30 minutes after the incident, ACL had established our first base of operations to implement the Incident Command System (ICS) from our headquarters in Jeffersonville, Indiana.

For background, the ICS is a standardized emergency management model designed to allow government agencies and industry members to work together with a shared process and common language that is essential to mounting an effective response.

By 2:15 AM CDT, all of the required notifications to the National Response Center, the local Coast Guard and State officials had been made from our Incident Command Post (ICP) in Jeffersonville, IN. For the next couple of hours our ICP was engaged in activating additional OSROs, making internal notifications, directing internal resources and aggressively coordinating with Federal, State and local officials. By 5:00 AM CDT, we initiated plans to fly our command staff from Jeffersonville to New Orleans.

Shortly after the accident, towboats were working to stabilize the barge. By first light, our OSROs had deployed their first oil skimmers in the river. Containment boom had been placed near the damaged barge and on the municipal water intakes. From this point forward the pace and scope of the response effort accelerated with each hour. Our approach was to deploy all available resources as quickly and safely as possible.

At approximately 10:00 AM CDT our command staff had its first of many regularly scheduled over-flights of the affected area. This information gave us a better indication of the length and breadth of the affected area and helped us to begin the transition from reactive response to coordinated proactive response. Although no one could know how badly the barge was damaged, we responded with a worst case scenario approach and planned for a total loss of the product, which was approximately 10,000 barrels of #6 fuel oil.

By mid afternoon, the Coast Guard had established a Unified Command under the leadership of Captain Lincoln Stroh who served as the Federal On-Scene Coordinator, and Mr. Roland Guidry, who was the State On-Scene Coordinator.

By sunset the first day we had deployed over 400 field personnel who were directly engaged in oil spill response activities. The Unified Command staff had grown to over 120 individuals. These numbers would continue to grow in the coming days.

During the response operation, human health and safety was our first priority. From July 24, ACL initiated around the clock air monitoring in the densely populated areas. Working under close scrutiny of Louisiana and Federal environmental agencies, ACL collected and analyzed over 2.5 million air samples. All samples showed no contamination by any hydrocarbon at levels of concern to human health. In addition, ACL continuously monitored all the water intakes for oil contamination from July 24 until the evacuation for Hurricane Gustav. Again, not one sample showed contamination.

Protecting wildlife was also a top priority for the Unified Command and ACL. Specialists from Federal and State agencies observed oiled waterfowl and mammals. Where possible, animals were captured, cleaned, and released. Significant wildlife impacts were avoided by protective measures put in place very early in the response. While estimates are being finalized, experts do not anticipate permanent damage to wildlife populations as a result from this event.

Within the first week, the Unified Command grew significantly. At its peak, we employed approximately 2,300 personnel, 35 skimmers, 200 response boats and deployed over 160,000 feet of containment boom, 330,000 feet of snare boom and almost 60,000 feet of absorbent boom. All together we had deployed a total of more than 100 miles of boom in the affected area.

The tank barge had settled at the base of the Crescent City Connection Bridge where it continued to slowly seep oil. The tank barge was constructed with three separate tanks; one on the bow, one in the mid-section and one on the stern. With the mid-section severely damaged from the collision and tenuously connected to the bow section, the stern section rested on the river bottom. We were fortunate that the barge's double hulled, segregated tank construction provided the potential opportunity to salvage product that remained in parts of each tank. An illustration from the Times Picayune describing the salvage is attached to this statement.

After many salvage dives in difficult river conditions, we learned about the integrity of each of the tanks, including the number three stern tank that held approximately 3,333 barrels of oil that was previously assumed to have been lost. Once this oil was removed from the damaged barge, the barge was raised and the threat of an additional release was eliminated.

Ultimately, the success of the salvage and lightering operation as well as our oil spill recovery efforts greatly reduced the estimated size of the spill from approximately 10,000 barrels down to 5,950 barrels. We believe this recovery significantly reduced the negative effects of the collision and resulting spill.

At the height of our response operation, we cleaned over 100 deep draft ships, over 1,100 barges and boats, and had deployed over 100 miles of boom.

Before Hurricane Gustav struck, over eighty-four percent of the 100-mile long cleanup area had met the Unified Command's cleanup criteria and no further oil removal activities will be required. Over 9,000 feet of containment boom remained deployed in the area and over 930 people remained engaged in cleanup activities. In preparation for the hurricane, we demobilized the cleanup personnel, most of whom work for local private cleanup contracting companies. Cleaning operations resumed shortly after Gustav and will continue until State and Federal authorities are satisfied that the proper amount of clean up has been done.

As the Chairman of the Towing Safety Advisory Committee (TSAC), I have been directly involved in the development of both the inland towing vessel licensing standards and towing vessel inspection standards. As you know, TSAC is the congressionally authorized panel that provides the Coast Guard with direct industry and mariner representation in the development of new regulatory initiatives.

ACL has been on the forefront of a number of efforts to enhance safety on the inland waterways. I am encouraged that the Coast Guard is close to publishing the towing vessel inspection Notice of Proposed Rule Making. TSAC has recommended the new regulations include a strong emphasis on safety management systems. If the new regulations provide that non-compliance with a measured safety management system could result in suspension of a vessel's certificate of inspection, the combination will provide the Coast Guard with a powerful enforcement tool that ties a vessel's human factors directly to a company's ability to engage in commerce.

ACL supports a program of targeted enforcement from the Coast Guard. While we look forward to enactment of the new towing vessel inspection regulations, we are working with the American Waterways Operators to improve the Responsible Carrier Program. RCP audit results should be provided in a timely and transparent manner to trade association members and the Coast Guard alike.

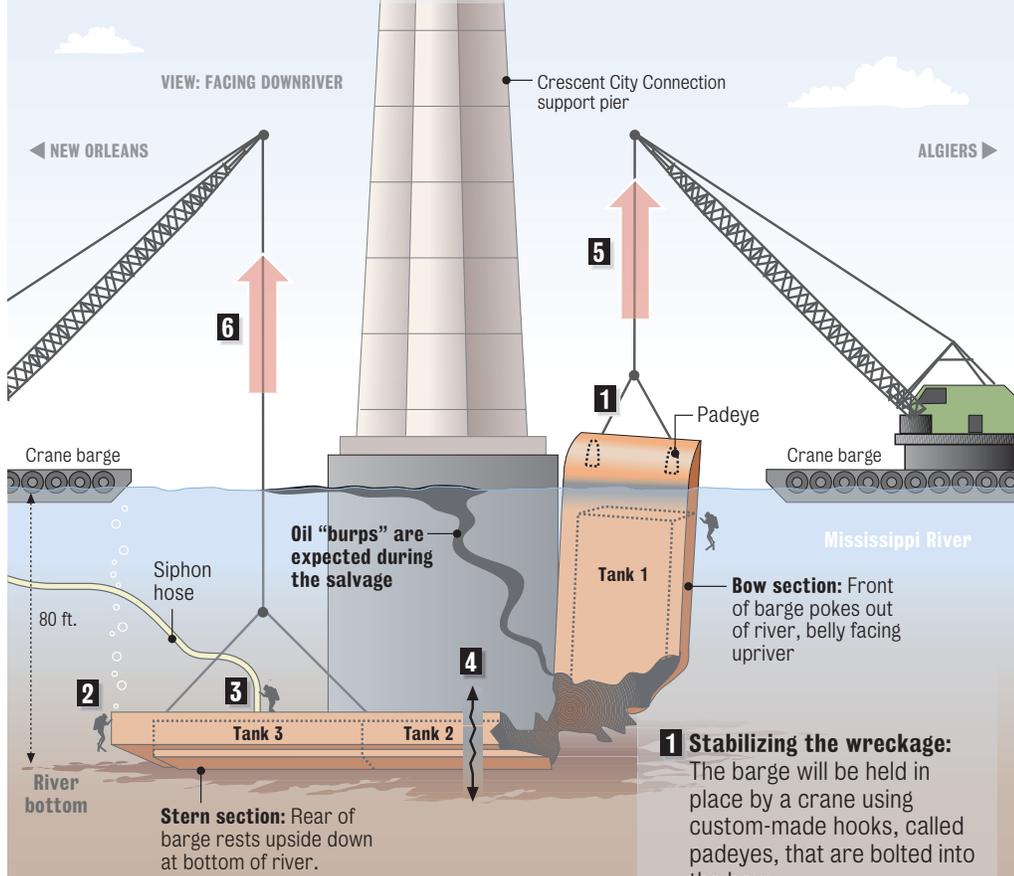
In closing, I want to thank the committee for this opportunity to testify. In the last decade, we have made significant strides to enhance safety on the inland waterways and I look forward to seeing the towing vessel inspection regulations finalized.

I would like to once again recognize the outstanding leadership demonstrated by members of the New Orleans Oil Spill Unified Command; especially RADM Joel Whitehead, Captain Lincoln Stroh, Mr. Roland Guidry with the Governor's Office of Oil Spill Recovery, Mr. Charles Henry with NOAA, and Mr. Jeff Douzat with the Louisiana Department of Environmental Quality. When this team of leaders confronted a problem, they left jurisdictional concerns aside to find the best solution.

I look forward to working with this Committee and I am available to answer questions about my testimony.

# RAISING THE BARGE

Barring any setbacks, a marine salvage crew will begin bringing up the barge that has been spilling fuel oil into the Mississippi River for more than a week. A look at the salvage operation, its complexities and how it all started:



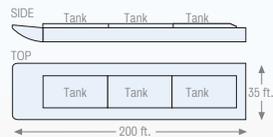
## WHAT'S TAKING SO LONG

**RESPONSE:** As with any disaster, officials must assess the problem, coordinate efforts and plan accordingly, all of which takes time.



**HIRING SALVAGE CREW:** Bisso Marine was awarded the contract to remove the barge from the bottom of the river.

**RESEARCH:** The salvage crew had to locate a sister barge of the one that sank in order to determine dimensions, tanks and air pockets. Divers also needed to familiarize themselves with the barge because visibility will be limited.



**DIVING:** Facing strong currents and little or no visibility in the muddy river water, divers will struggle to do their job. They take shifts because they cannot stay under for more than an hour before needing to come up for more air and decompression.



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**CUSTOM EQUIPMENT:** A special hook, called a padeye, had to be manufactured to secure the bow section of the barge and lift it. Two padeyes were fitted for this operation.



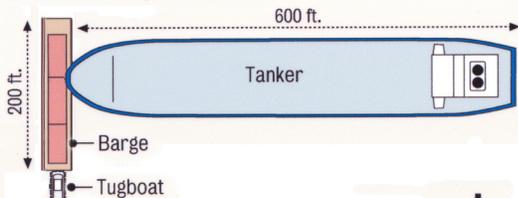
**EQUIPMENT DELIVERY:** Special cutting and lifting equipment, such as the Ajax (below), had to be transported to the site.



## WHAT STARTED IT ALL

At 1:30 a.m. July 23, the tanker Tintomara hit a fuel barge steered by a tugboat whose crew was not properly licensed to operate on the Mississippi River. The barge, carrying more than 400,000 gallons of No. 6 fuel oil, was sliced open by the impact.

### BIRD'S-EYE VIEW, JUST BEFORE IMPACT:



### SIDE VIEW:



### THE RESULT

The Mississippi River was closed to all ship traffic from New Orleans to the Gulf of Mexico. It has since reopened.



### 1 Stabilizing the wreckage:

The barge will be held in place by a crane using custom-made hooks, called padeyes, that are bolted into the bow.

### 2 Getting the air out:

Divers search for air pockets in the barge to further stabilize the wreckage and prevent explosions when boring into the hull.

### 3 Removing the oil:

Tanks 1 and 2 will be cleared of any lingering oil. Tank 3, which may not be damaged, will be tapped and drained.

### 4 Cutting it up:

A cutting barge called the Ajax will slice through Tank 2, separating the wreckage to ease the removal.

### 5 Removing the bow:

The front section of the barge will be lifted straight up and onto a waiting barge.

### 6 Removing the stern:

The rear section of the barge will be harnessed and raised onto a waiting barge.