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- ◆ ***“Prestige” update . . .*** (1.) Spain hired the French submarine “Nautilus” – best known for finding the wreckage of the “Titanic” - to probe the wreckage of the “Prestige”. Thus far, five cracks have been discovered in the stern, and nine in the bow. A team of scientists has been formed to evaluate the data obtained by the submarine, and will attempt to quantify how much oil is leaking from the sunken wreck (initially estimated at 125 tons – or 33,000 gallons - per day), whether the fuel will ultimately solidify at the near freezing temperatures on the seabed, and how the cracks may be blocked to quell the leakage. (2.) The flag-state investigation into the “Prestige” incident will focus on steel repairs, as extensive repairs were carried out on the vessel in China in May 2001. Among other things, the effects of new steel being attached to old structures will be assessed and could be the subject of a more thorough investigation into the stress imparted upon the hull by the repairs, and the metal fatigue induced by the 26 years of ship operations. (3.) The International Oil Pollution Compensation Funds has said that a total of \$178 million will be made available address compensation claims arising from the “Prestige” disaster under existing conventions. (Sources: *Reuters, Lloyd’s List*) ***We’re curious as to why a tanker would be carrying a finished product like fuel oil to a refinery-rich country like Singapore. We also wonder about the estimated leakage of 33,000 gallons per day from the sunken wreck, when the material being cleaned from the beaches has been described as “asphalt-like” and “tar-like”.***
- ◆ The U.S. Environmental Protection Agency (“EPA”) and the New York and Connecticut environmental agencies recently signed an agreement aimed at restoring Long Island Sound by 2014. Further to that, the Long Island Sound Study Policy Committee – consisting of regional administrators from the EPA and commissioners from the Connecticut Department of Environmental Protection and the New York Department of Environmental Conservation – approved some 30 new goals for restoring the Sound and announced \$4 million of new funding from the EPA for Sound related projects. (Source: *Environment News Service*)
- ◆ The Fourth International Marine Salvage Conference will be held on March 19, 2003 at the International Maritime Organization, located on 4 Albert Embankment in London. The aim of the conference is to discuss commercial, legal, and operational developments concerned with salvage. Issues on the agenda include new regulatory developments in the U.S. and Europe, along with IMO initiatives on places of refuge and wreck removal. For more information, contact the International Salvage Union’s Secretary General David Randell at telephone +44-20-7345-5122, facsimile +44-20-7345-5722, or e-mail isu@randell.fsnet.co.uk.

- ◆ The federal government is suing New York City over alleged violations of regulations on underground storage tanks (“UST’s”) used for holding petroleum and other hazardous substances. The complaint, filed by the U.S. Attorney on behalf of the EPA, charges the city with violating the federal Resource Conservation and Recovery Act (“RCRA”) by failing to upgrade UST’s in a timely manner, and further cites the city for its long-term failure to maintain its RCRA compliance records or provide them to the EPA. The city owns at least 1,600 UST’s in at least 400 locations in the city’s five boroughs. The civil complaint seeks unspecified penalties and a court order that would force the city to comply with RCRA and other

environmental statutes. The fines could be as much as \$11,000 per UST per day of violation, or a total of up to \$17.6 million per day of violation. The New York City Law Department has noted that the city has spent in excess of \$140 million over the past 10 years to ensure that its UST are in compliance, and has already paid a negotiated penalty to the EPA. New York City is already facing a serious budget shortfall caused in part by the terrorist attacks of September 11, and the city has determined that the matter should be settled without penalty payments to the federal government because of these mounting budget issues. (Source: Environment News Service)

- ◆ Holland & Knight LLP will be hosting a seminar entitled “The Maritime Transportation Security Act: The Commercial Impact” on December 19, 2002 from 2:00 p.m. – 5:00 p.m. Eastern Time at the New York Yacht Club, 37 West 44 Street, New York, New York. Registration for the seminar is required, and space is limited. For more information or to RSVP, contact Stella Reyes at stella.reyes@hklaw.com.
- ◆ A U.S. Federal Court in Alaska recently reduced the punitive damages awarded in the 1989 “Exxon Valdez” oil spill disaster from \$5 billion to \$4 billion. As you may recall, ExxonMobil Corp. had been hoping for a much larger reduction in the damages that were awarded, stating that \$40 million would be more appropriate since that amount was only slightly less than the largest punitive damages award ever approved by an appellate court. (Source: *Ananova*)
- ◆ Earlier this month, President Bush signed into law the National Defense Authorization Act for 2003, which funds the military portion of the global war on terror and the continuing transformation of the U.S. military to meet the threats of our era. This Act will actually allow the Department of Defense to spend money released under the 2003 National Defense Appropriations Act, which was signed into law in October 2002. Among other things, the Act authorizes \$7.3 billion for counter-terrorism programs throughout the armed services. Much of this funding will be channeled into biological warfare defense and chemical and biological detection, protection, and decontamination. (Source: *Homeland Defense Journal*)
- ◆ In an interesting development, the head of Blue Shield of California is calling for universal health care - beginning with Californian’s – stating that the current system and its underlying economics are not sustainable. These statements come on the heels of health care costs that are rising at their fastest clip in 10 years. While political interest in reforming health care has been revived somewhat, many lawmakers consider it politically dangerous to support a major overhaul of the current system. Nonetheless, many in the industry welcome the debate and say it’s significant that a managed care insurer is calling for reform. (Source: *USA Today*)
- ◆ **Work/Life/Health:** Do you want to turn customer complaints into opportunities? If so, try and observe the following general principles when handling complaints: (1.) **Try not to interrupt the customer** as the complaint is voiced – sometimes voicing the complaint relieves some of the customer’s distress. (2.) **Do whatever you can to avoid an argument**, even if the complaint is groundless – keep in mind that complaints are not usually resolved in a controversial climate. (3.) **Avoid making meaningless excuses** – if the complaint is legitimate, face up to it. (4.) **Don’t let complaints linger** – the longer they remain unresolved, the more serious they become. (5.) **Always provide an explanation to the customer** – when a customer complains, they expect an explanation, and a proposed solution. Creative sales people can offer solutions that add extra value to the product or service, serving to solidify the relationship and even increase sales. (Source: *The Selling Advantage*)
- ◆ **Quote of the Week:** “The great law of culture is: Let each become all that he was created capable of being.” – Thomas Carlyle (1795-1881), *Critical and Miscellaneous Essays [1839-1857]*. Richter