



**02-03**

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**January 10, 2003**

- ◆ As you know, SCAA's 2003 Annual Meeting will be held at the Luxor hotel in Las Vegas on February 24-25, 2003. In last weeks' edition of this newsletter, we mentioned that the Board of Directors would meet on the 24<sup>th</sup> at 3:00 p.m. local time, followed by a dinner for the Board and their respective guests. Tuesday, February 25<sup>th</sup> is dedicated to the annual meeting at large, and we are pleased to announce that we have thus far received commitments for speakers from the U.S. Department of Energy, the U.S. Coast Guard, the National Pollution Funds Center, and from Don Abbott of the Phoenix Fire Department. Mr. Abbott will talk about the virtual reality HAZMAT training module that he is creating with Steven Spielberg. More on the agenda will follow as it is developed. Also, just a reminder that a golf outing will be set up for February 26 if there is enough interest. Please contact Marc Shaye at your earliest convenience if you'd like to play golf – he can be reached at 313.962.8255 or via e-mail at [marcs@scaa-spill.org](mailto:marcs@scaa-spill.org). ***Finally, if you haven't made your room reservations already, please note that our room block will expire on January 31, 2003. Be sure to book your room before that date to get a lower rate – just be sure to mention SCAA and our reservation code "TSPILL".***
- ◆ This week, the National Oceanic and Atmospheric Administration ("NOAA") and the Florida Department of Environmental Protection ("DEP") presented a claim to the federal oil spill liability trust fund for \$2.2 million to restore beaches and a marine habitat damaged by an oil spill that occurred near Ft. Lauderdale in August 2000. The claim marks the first time NOAA has submitted a natural resource damage claim with no identifiable responsible party. As you may recall, oil tar balls and oil mats began to appear on the beaches in Ft. Lauderdale in August 2000, and some 20 miles of high use recreational beaches required cleaning. While the majority of oil was removed within a few days, natural resources (including threatened and endangered sea turtles, fish, and birds) were impacted. (Source: *NOAA Press Release*) ***As you may recall, this is the incident where inmates were used to assist with the oil spill clean up effort. This was allowed by the FOSC at the request of Broward County.***
- ◆ The U.S. Environmental Protection Agency recently concluded that – with the exception of the people that were exposed just after the collapse of the World Trade Center ("WTC") towers – people in the surrounding community are not likely to suffer serious health effects from the attack. The conclusion is made in a draft evaluation of effects of exposure to airborne pollution from the destruction of the twin towers that was prepared by the Agency, which can be found on line at [www.epa.gov/ncea/wtc.htm](http://www.epa.gov/ncea/wtc.htm). In addition, a final report on the respiratory toxicology

study that that was also performed can be found on line at [www.epa.gov/nheerl](http://www.epa.gov/nheerl). These reports will be followed by a long-term study of people exposed to dust from the WTC collapse. Up to 200,000 people – including residents, employees working in lower Manhattan, and disaster personnel – will be registered and followed through 2021 for long-term health effects. (Source: *Environment News Service*)

- ◆ Although the recent media coverage of the “Prestige” sinking and oil spill might lead interested parties to believe otherwise, pollution claims have become a small part of the everyday life for maritime insurers that provide liability coverage to ship owners. According to the UK P&I Club

– the largest operator in its field – only 5% of its claims over \$100,000 result from pollution, and the dollar value of pollution claims amount to some 17% of its total claim payout. (Source: *Lloyd's List*)

- ◆ This month, the Naval Postgraduate School in Monterey, California launched the nation's first master's degree program in homeland security. The degree program – which was created through discussions with the U.S. Departments of Defense and Justice – will be primarily via distance learning. While that school is a part of the U.S. Navy, other colleges are developing similar and/or related courses and programs. (Source: *USA Today*)
- ◆ **No surprise . . .** This week, The White House sent to the Senate nominations of Tom Ridge to be the Secretary of Homeland Security, and Gordon England (currently Secretary of the Navy) to be Deputy Secretary of Homeland Security. (Source: *Maritime Items*)
- ◆ Last month, oil services giant Halliburton announced an agreement under which it would pay some \$4 billion to settle 300,000 asbestos-related claims against it. The agreement, which some say could become a model for asbestos settlements across the U.S., covers all present and future claims and ensures swift payment. Halliburton will pay \$2.8 billion in cash, 59.5 million Halliburton shares valued at about \$1.2 billion, and notes worth around \$100 million to settle the claims. Around the same time, Honeywell Company announced a similar agreement wherein it will pay \$900 million to settle 200,000 asbestos-related claims against its former cement company, North American Refractories Company. In addition, some \$1.9 billion in insurance will cover asbestos-related claims against Honeywell's Bendix brakes unit. Interestingly enough, neither Halliburton nor Honeywell were directly involved in the manufacture of asbestos, but both used asbestos in some of their products and processes. (Sources: *Environment News Service* and *Lloyd's List*)
- ◆ **The “new asbestos”?** One of the fastest growing causes of litigation in North America revolves around mold and mold spores. In the past three years, over 9,000 cases involving mold spores derived from allegedly toxic mold have been brought in the U.S. Some experts are now saying that the threat of airborne mold spores pose more of a threat to the cruise industry than the Norwalk virus in terms of potential litigation. Following are some notes of interest: (1.) The Texas Dept. of Insurance recently ordered The Farmer's Insurance Group to reverse homeowner premium rises of up to 200% that the company claimed were necessary due to surging mold and water damage claims. (2.) Last year, the presence of mold spores resulted in a \$32 million award against a Farmer's Insurance subsidiary following the alleged mishandling of a claim that resulted in a family's mansion being demolished. (3.) In Canada, a \$2 billion action is underway against the School Board of Toronto's Dufferin Peel Catholic School District, alleging that children have been exposed to mold in temporary classrooms. (4.) In Tennessee, the insurer Allstate has set a \$5,000 limit on payments related to the remedy of mold damage. (Source: *Lloyd's List*)
- ◆ **Work/Life/Health:** In today's competitive economy, a sales person's responsiveness to a prospect usually determines whether a sale is made or lost. The sale won't be made if (a.) the prospect doesn't trust you; (b.) the prospect is not excited with your solution to his/her problem; (c.) the prospect can't see what's in it for him/her; (d.) the prospect doesn't accept your solutions and benefits; or (e.) the prospect can't clarify the pros and cons. (Source: *The Selling Advantage*)
- ◆ **Quote of the Week:** “Every man's work, whether it be literature or music or pictures or architecture or anything else, is always a portrait of himself.” – Samuel Butler (1835-1902), *The Way of All Flesh* [1903], ch. 5