Our Compass Always Points to Safety:

What You Should Know About
Tugboat, Towboat and Barge Industry Safety

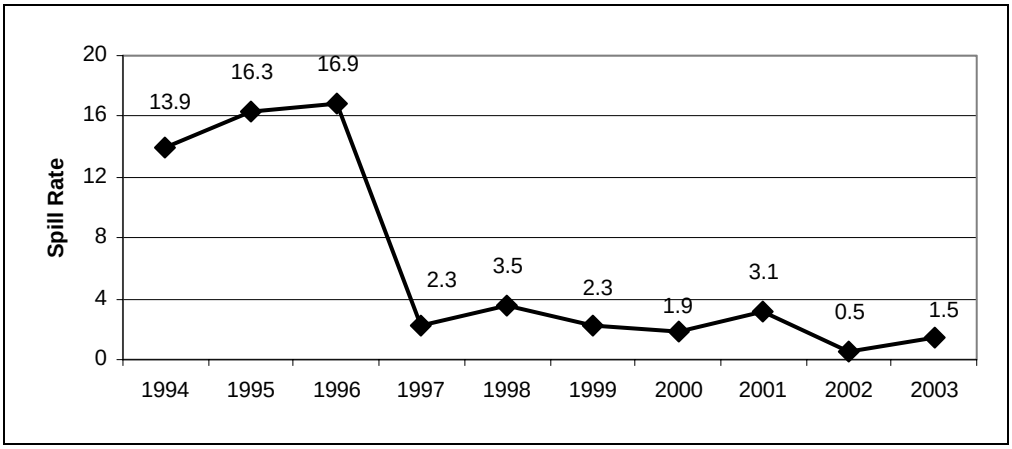
America's tugboat, towboat and barge industry moves 800 million tons of cargo a year on our nation's inland and coastal waterways. Moving this cargo safely — minimizing risks to people, property, and the environment — is the industry's number one goal. The Coast Guard-AWO Safety Partnership, a groundbreaking public-private partnership between the U.S. Coast Guard and The American Waterways Operators, the national trade association for the tugboat, towboat and barge industry, tracks trends in towing industry safety performance. Using government data from the U.S. Coast Guard and U.S. Army Corps of Engineers, the Partnership monitors vessel casualties, oil spills, and crew fatalities, promoting continuous improvement and providing focus to Coast Guard-industry safety initiatives.

Oil Spills Drop Sharply

The oil spill rate of tank barges has dropped dramatically in the last decade. As the chart below shows, in 2002 and 2003, the most recent years for which data are available, the towing industry had record low spill rates of 0.5 and 1.5 gallons spilled per one million gallons transported, respectively. This represents an 89% reduction from 1994 (13.9 to 1.5) and a 91% reduction from the peak year of 1996 (16.9 to 1.5). **In terms of total volume, in 2003 the towing industry safety transported 99.9997% of the petroleum and petroleum products it delivered.**

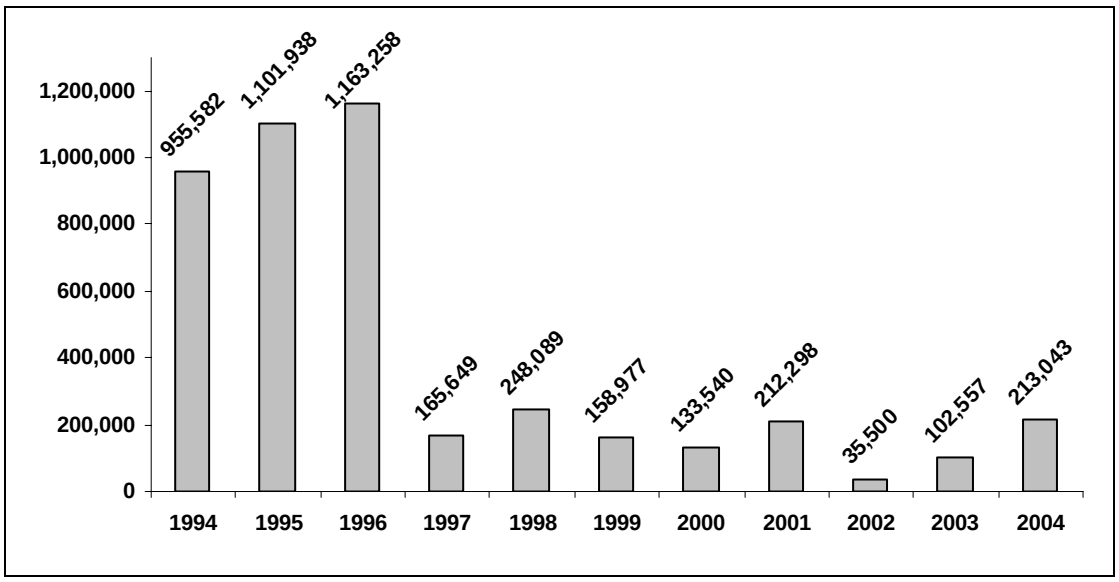
As the chart also shows, the breakthrough year was 1997. The average spill rate from 1997 through 2003 was 2.2 gallons, compared to 15.7 gallons from 1994 through 1996.

Gallons of Petroleum and Petroleum Products Spilled From Tank Barges per One Million Gallons Transported, 1994-2003



Behind the rate calculations is the volume of oil spilled. Spills from tank barges have dropped 75% by volume in the last decade, from 955,582 gallons in 1994 to 213,043 gallons in 2004. As the chart below shows, the last eight years are a period of low spill volumes (an average of 158,707 gallons), compared to the 1994-1997 period which had an average of about one million gallons spilled.

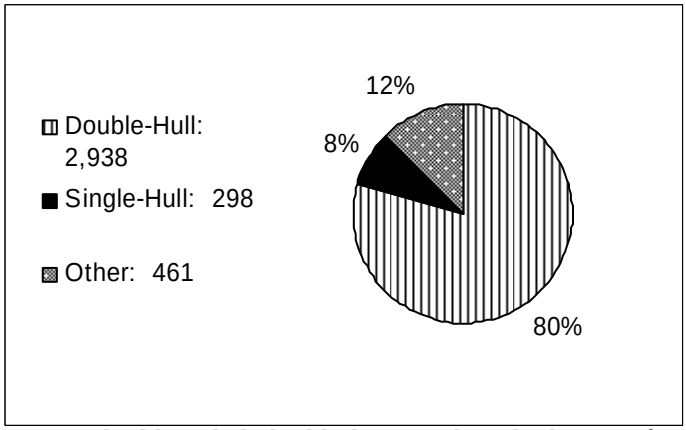
Gallons of Petroleum and Petroleum Products Spilled from Tank Barges, 1994-2004



Tank Barge Industry: A Leader in Double-Hull Conversions

One of the contributing factors to the dramatic drop in oil spills is the industry's modernization of the tank barge fleet. The landmark Oil Pollution Act of 1990 called for the tank barge fleet to be 100% double-hulled by 2015. The industry has been aggressive in either converting single-hulls to double-hulls or removing them from petroleum service and replacing them with new double-hulls. The chart below shows the configuration of the tank barge fleet by hull type.

Tank Barge Fleet as of November 2005 by Hull Type

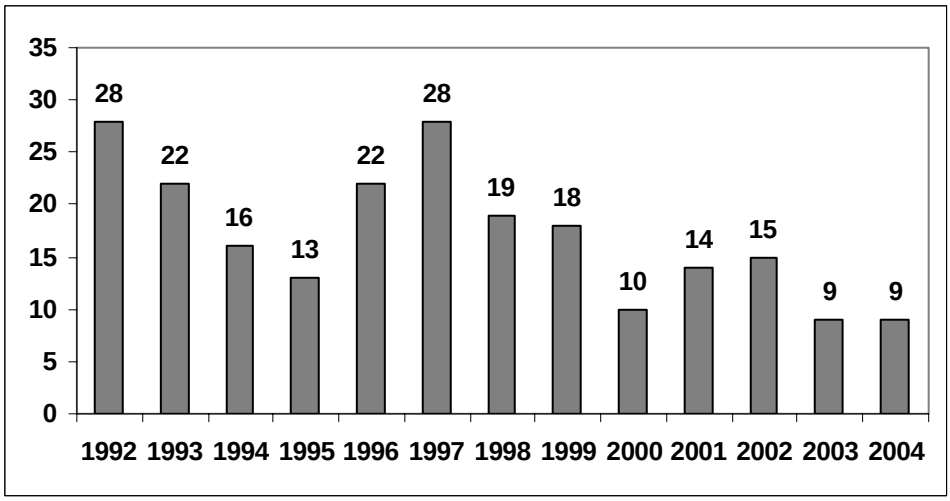


(Note: Other hull types are double-sided, double-bottomed, and other reinforced structures.)

Crew Fatalities Show Downward Shift

Towing vessel crewmember fatalities hit a **record low in the last two years**. As the chart below shows, this is part of a level shift that started in 1998.

Towing Vessel Crew Fatalities 1992-2004

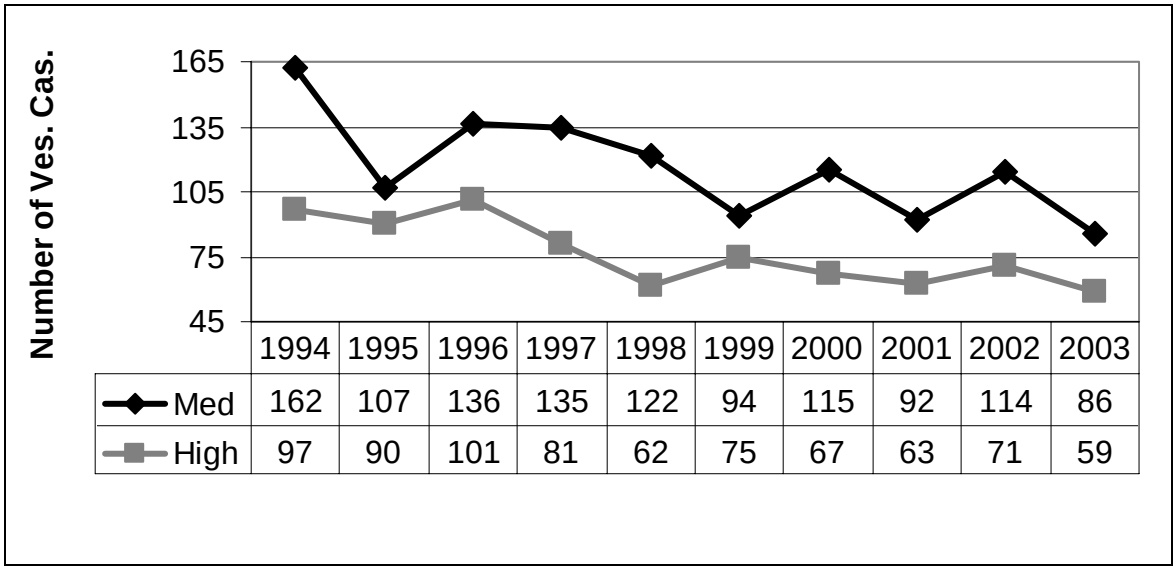


Serious Vessel Casualties on the Decline

Vessel casualties are maritime accidents and include allisions (contact with fixed objects such as bridges, locks, and docks), breakaways, capsizings, collisions, equipment failures, explosions, fires, floodings, groundings, loss of electrical power, loss of vessel control, sinkings, and structural failures. They can range in severity from inconsequential "bump-and-go" groundings to ones that result in pollution and loss of life.

The Partnership developed a severity scale to weed out the towing industry equivalent of "fender benders" from the more serious ones. The chart below shows a **declining trend in medium and major vessel casualties**, which accounted for 12% of all vessel casualties in 2003.

Medium and High Severity Vessel Casualties 1994-2003



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Med	162	107	136	135	122	94	115	92	114	86
High	97	90	101	81	62	75	67	63	71	59

Medium severity casualties meet one or more of these criteria: $50,001-$250,000 damages; no personal casualties (injured, missing, or dead); 11-1,000 gallons of pollutants spilled; Coast Guard casualty class of "Significant" or "None".

High severity casualties meet one or more of these criteria: $250,001 or more damages; 1 or more personal casualties (injured, missing, or dead); 1,001 or more gallons of pollutants spilled; Coast Guard casualty class of "Serious" or "Major".

Safety: A Continuing Journey

Members of The American Waterways Operators are committed to being leaders in marine safety and environmental protection. Through the Coast Guard-AWO Safety Partnership and the AWO Responsible Carrier Program, a third-party-audited safety management system with which all AWO members must comply as a condition of membership, AWO members continue to strive to improve the industry's safety performance and safeguard the public trust. The Partnership's goals are zero oil spills, zero crew fatalities, and a downward trend in vessel casualties. The Coast-Guard AWO Safety Partnership and the AWO Safety Committees are studying the data to identify causal factors and are providing venues to share research findings and lessons learned. For more information about AWO, visit our Web site at www.americanwaterways.com, or call us at (703) 841-9300.

Data note: All data are from U.S. Coast Guard or U.S. Army Corps of Engineers.