

BAN PRESS RELEASE – Obama’s EPA allows toxic navy ships to be illegally dumped in Bangladesh

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August 27, 2009, Norfolk, Virginia, USA - Last night, the ship ANDERS (former MV PVT. JAMES ANDERSON, JR), sailed out of Norfolk, Virginia with the likely destination being the infamous shipbreaking beaches of Bangladesh. According to the NGO Platform member organisation and environmental watchdog group Basel Action Network (BAN), the export marks the first time the U.S. government has allowed a U.S. flagged ship in the service of the government to be sent to South Asian beaches since the Clinton Administration called for a moratorium on such exports in 1998. The moratorium followed a Pulitzer Prize winning expose published by the Baltimore Sun [1] highlighting the inhumane and environmentally devastating conditions in the South Asian shipbreaking beaches. The ANDERS and her sister ship BONNY (MV 1ST LT. ALEX BONNYMAN) which is expected to likewise sail later today, were allowed to be sold, re-flagged and exported by the U.S. Maritime Administration and the U.S. Environmental Protection Agency (EPA) despite the fact that these transactions were likely in violation of the Jones Act, regarding U.S. flagged ships, and because the ships are of the vintage that contain high concentrations of polychlorinated biphenyls (PCBs) in their construction, were likely in violation of the Toxic Substances Control Act (TSCA). TSCA forbids the export or the "distribution in commerce" of PCBs. The Basel Action Network (BAN) had previously sent a series of letters to the EPA and MARAD warning them of the imminent and likely violations of U.S. laws and called specifically upon the EPA to at least require the ships to be tested for PCBs prior to export. But to the great surprise of the environmental watchdog organization, that had worked with the EPA in numerous instances in the past, the Obama administration refused to act.[2] *"This is really shocking. All through the Bush Administration the EPA took action every time we warned them of a pending TSCA violation and their record of enforcement was strong. Now we have elected an environmental president and his administration for the first time in ten years is willing to ignore the law and dump toxic waste onboard U.S. flagged ships on developing countries,"* said Jim Puckett, Executive Director of Basel Action Network (BAN). Today, sadly, little has changed to improve the conditions of the workers in India and Bangladesh since the Baltimore Sun articles and subsequent export moratorium 11 years ago. Already this year 9 persons have died outright from occupational accidents in Bangladesh. Just last month 6 workers were cooked inside a ship after it caught fire in an Indian breaking yard due to shipbreaker owner negligence. Many more suffer the longer term impacts of asbestos and toxic fumes from cutting torches and the local environment is completely contaminated by toxic chemicals and fuel residues. However it is far more profitable for all concerned to send ships to South Asia than to properly recycle them here in the U.S. The Anders and the Bonny were constructed in Odense, Denmark (1979 and 1980) and have operated for the U.S. Navy's Military Sealift Command (MSC) since they were imported to the U.S. for conversion from commercial cargo ships in 1982. The Wilmington Trust Corporation owned the vessels for the benefit of Phillip Morris, Inc. who chartered the vessels to the MSC, with shipping giant Maersk operating the ships on MSC's behalf. MSC's charter was terminated on July 15, 2009 (27 year charter) when the vessels were sold to an unknown company called Star Maritime Corporation. BAN's subsequent research revealed that Star Maritime is merely a Delaware mailbox company. Star does not have a U.S. address or place of business and records show they were subject to a mere \$75 in taxes to the State of Delaware in 2008. They have never filed a 10K annual report to the Securities Exchange Commission. Under the Jones Act, it is unlawful to sell a U.S. flagged vessel to a foreign citizen and it appears that Star Maritime was the domestic entity created by foreign shipscrapppers to obtain U.S. ships. However, so far BAN has found no evidence of a U.S. citizen that owns or is linked to Star Maritime in any way. According to BAN's sources, the real buyer of the ship appears to be a Mr. Mohammed Tahir Lakhani of Dubai [3] who industry insiders have indicated has already sold the vessel onward to Bangladesh shipbreaker Mr. Haji Lokman Hossain. Mr. Lakhani owns the United Eastern Trading Company in London and is partner in Dubai Trading Agency, one of the world's largest cash buyers for ship scrapping in the world. This information was confirmed when Mr. Suryakant Pai of United Eastern Trading and Lakhani's financial manager, sent a letter to the EPA and MARAD discounting the claim that the vessels were destined for scrapping. Mr. Pai's letter was on letterhead shared by United Eastern and Star Maritime, with the contact e-mail address of demo@unitedeastern.co.uk. This e-mail address is being protected from spambots, you need JavaScript enabled to view it. Once the sale to the shell company Star Maritime was approved by MARAD, they then authorized the re-flagging of the vessels because Star made claims that the ships would not be scrapped but rather used commercially. These claims belied numerous reports in trade journals that the ships were sold by Wilmington Trust for scrap. Once the ships were re-flagged then they could be legally sent for scrapping and MARAD could wash their hands of the issue entirely. This crafty manoeuvring appears to have been accepted by EPA and MARAD as they willingly approved the sale, re-flagging and export despite BAN's repeated warnings of who the true owners were and the violation of the spirit if not the letter of the Jones Act and the Toxics Substances Control Act. EPA decided not to investigate further despite the fact that BAN produced a Navy report produced by the RAND corporation that indicated ships of 1979 and 1980 build dates, routinely contained PCBs. *"It is outrageous that these ships were allowed to sail, but this story is far from over. Obama's EPA and Maritime Administration will have to explain how it is that these ships, mixed up with giant U.S. conglomerates such as Philip Morris and Maersk, were so easily able to circumvent US enforcement and break with the government's long-standing moral moratorium against dumping US flagged ships into the environmental hell of South Asian shipbreaking yards,"* said Colby Self, BAN's Green Ship Recycling Campaign Director. *"Meanwhile we will be warning Bangladesh to bar the entry of these renegade vessels."* Under the Basel Convention, it is illegal for Bangladesh to import toxic waste from the United States. The negligence of the U.S. government in this case could well become an international incident.

[1]<http://www.pulitzer.org/archives/6144> [2] Most recent plea to EPA from BAN: http://www.ban.org/library/Bonny_AndersLetter_EPA.pdf

[3] <http://www.nhstevents.com/events/article525107.ece>