
Peter DeCola, University of Rhode Island

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Abstract
During the mid-1980's, the crisis in marine insurance and growing concern over fishing vessel safety combined to stimulate passage of the Commercial Fishing Industry Vessel Safety Act of 1988. This law was enacted with the goal of improving the overall safety of commercial fishing industry vessels. However, the Act as passed by Congress contained no provisions for marine insurance reform. As a result, the commercial fishing Industry Vessel Safety Act offered little incentive for the industry to improve upon its dubious safety record. With the exception of self-insurance clubs, the vast burden of implementing the Act has fallen upon the U.S. Coast Guard. Implementation of any congressional mandate necessarily involved identification of Congressional intent. In the case of the Commercial Fishing Industry Vessel Safety Act, the intent of Congress was to promote a proactive risk management system and the use of voyage terminations as a primary enforcement mechanism. Unfortunately, this policy has been implemented within the Coast Guard such that the authority to terminate a fishing vessel voyage is concentrated at a high level within that agency, and the Coast Guard has been precluded from effectively utilizing the enforcement tool which Congress provided for in the Act. Instead, the Coast Guard has focused its enforcement efforts on post-contact control measures such as mandating exposure suits and life rafts, and in so doing has missed the opportunity to prevent accidents by creating a new risk management regime. By refocusing enforcement efforts within the Coast Guard in order to create a more effective risk management system, the fishing vessel safety program currently in place in this country could be vastly improved. Likewise, a more aggressive data gathering protocol and the utilization of risk management methodology to measure and identify hazards within the commercial fishing industry is necessary to the effectiveness of this program.

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maintenance cost. A practical example is provided to illustrate the effectiveness of the proposed flexible warranty policies.