

BY MAURICIO GARRIDO, PRESIDENT, AMERICAN SALVAGE ASSOCIATION



# THE "PATCHLESS" SALVOR: A SHIPOWNER'S BEST FRIEND

[www.americansalvage.org](http://www.americansalvage.org)

**M**arine salvage is the most unique and challenging enterprise of today's volatile business world. Financially, salvage is based upon an enticing directly proportional risk-reward relationship typically resulting in good profit margins upon success. Unfortunately, no crystal ball can forecast if and when the next job will occur, leaving accountants aboard a nail-biting roller-coaster ride with only the ability to budget expenses while crossing fingers and toes for revenues. Yet, to most shipowners and underwriters the salvage business has traditionally been framed with an aura of piratical overcharging.

In reality, the professional salvor is simply a businessman committed to solve unique and challenging problems in exchange for fair compensation, just like any other service provider. Today's salvor has managed to successfully repackage his image in an effort to erode the ill-perceived vision of the "one-eyed" opportunist avid to squeeze the most out of that one casualty. This effort will hopefully lead to a better understanding of the salvage industry and its role in shipping. An ever-decreasing casualty volume, especially in United States' waters, has led many salvage companies to diversify their core business activities in order to generate cash flow and main-

tain their ability to respond to vessels in distress while others have simply been forced to eliminate salvage and wreck removal services as a business unit.

Regulatory currents in the U.S., modern communications, shrinking volumes of casualties, and financial pressures on shipowners have prompted salvors to adapt and become a true service provider. The recently enacted salvage regulations under the Oil Pollution Act of 1990 (OPA 90) have contributed greatly to this transformation by placing emphasis on preparedness and responsiveness. Leading U.S. salvage companies now have permanent staff to handle administrative and compliance requirements for shipowners. Who would have ever imagined salvors would be working with shipowners to develop and certify pre-fire plans? Or building salvage resource networks that shipowners can incorporate into their response plans for submittal to the U.S. Coast Guard for approval. Today's salvor is flexible and most are willing to support a shipowner across the entire spectrum of response services, from remote consultation, to sending just a Salvage Master, to taking full control of the incident and dispatching a fully equipped salvage team.

Environmental liabilities have also highlighted the importance and value

of the modern salvor. An effective salvage response to a potential pollution disaster can go a long way to mitigate resource damage, costs, and the shipowner's liability. Salvors have the unique ability to excel when operating under pressure, in crisis mode, and against challenges requiring out-of-the box solutions and a high dose of adrenaline. On the other hand, ship operators typically do not have frequent experience dealing with casualties and, as a result, their initial actions have often led to worsening the situation. Thus, shipowners should always think of salvors as another troubleshooting resource which is likely to save them time, money and more importantly assist them in meeting their charterer's expectations. Our industry remains committed to providing the best possible service to shipowners and underwriters. Salvors should no longer be thought of as enterprising pirates but rather a shipowner's best friend, a friend that is happy to assist in mitigating liability, controlling risk, and restoring business.

Tough economic times coupled with rising operating costs, should encourage vessel owners to muster all the good help they can to improve operational efficiency, especially when stuck between a rock and a hard place. **ML**

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