

Case #9

After 25-30 years of service, ships are at the end of their sailing life and are sold as “End of Life Vessels” to be dismantled primarily to recover the valuable steel which makes up about 95% of the ship. Ship breaking (or ship demolition) is the process of dismantling the structure of an obsolete vessel for scrapping or disposal and includes a wide range of activities, from removing all gear and equipment to cutting down and recycling the ship’s infrastructure. However, the only ones who profit from ship breaking are the ship owners. They extract an average of \$1.9 million profit per “End of Life Vessel.” Ship breaking is also a challenging and controversial process, due to the structural complexity of ships and the many environmental, safety, and health issues involved.

Ship breaking is dangerous and has the reputation of being one of the dirtiest jobs on earth. For minimal dollars a day, workers with little protective gear tear out pipes insulated with asbestos, transformers covered with PCBs, and leaky diesel tanks. Until the late twentieth century, ship breaking took place primarily in port cities in developed countries – including the United States and Europe. Today, however, most ship breaking yards are in developing countries – especially India, China, Bangladesh, and Pakistan. This is due to rules dealing with lead paint and toxic substances. The industry was such a disgrace that, in 2000, Congress acted to stop U.S. registered ships from being sent overseas for scrap. Ship breaking remains an international environmental and labor concern - because ship breaking now occurs mostly in underdeveloped countries where working conditions and environmental impact are not regulated. Also, many ships being scrapped now were made before many international environmental laws were enacted.

In late 2005, a Virginia-based company, Bay Bridge Enterprises, visited the small coastal town of Newport, Oregon, and proposed opening a ship breaking plant on the banks of Yaquina Bay. The company offered up to 125 jobs paying \$20 an hour. Their spokesperson indicated that the company had no environmental violations since they have been doing this work, and that they had zero lost-time injuries since 2001. Also, he noted that there is no large-scale ship breaking yard on the West Coast, and that there are about 60 ships anchored in a California bay – just waiting to be moved to a scrap yard. Therefore, there would be plenty of work available at a new ship breaking plant in Newport – for some time to come.

A strong coalition of interested parties in the Newport area emerged in opposition to this proposal. The “Friends of Yaquina Bay” were the group of people most responsible for rallying the community together to try to stop this ship breaking proposal. The Oregon Coast Aquarium and the Oregon State University Hatfield Marine Science Center – both located in Newport – also added major support to the effort to block the proposed plant. Some of the major issues raised by these opponents to the proposal included: the world-wide negative reputation of ship breaking; the safety of towing “ghost ships” (some with a length of up to 540 feet) from San Francisco Bay in California to Newport, Oregon; potential infestation of as many as 100 invasive species on the ships in California that are not in Yaquina Bay; toxins on and in the ships that would escape into the bay and the air, affecting the seafood industry – especially crabbing – as well as the fear of pollution runoff at the Hatfield Marine Science Center and the Oregon Coast Aquarium; and visual pollution. Yaquina Bay is a continentally Important Bird Area – with

several endangered species present. There are 15 or more blue heron nests and other bird species on the tide flats near the proposed ship breaking site. The local tides extend 15 miles up the Yaquina River and thus the largest oyster farm in Oregon could be affected. Plus there is fear that money-spending tourists would not view these rusting ships as an asset to the beautiful Oregon coast.

On January 24, 2006, about 200 people packed a meeting room in Newport, Oregon, to hear Mr. Don Mann, general manager of the Port of Newport, announce that “some projects are a good fit, or not a fit at all. Bay Bridge’s plan for a ship breaking facility in Yaquina Bay does not qualify in our test for a good fit.” Thus, quite surprisingly, it seems, the ship breaking plan for Newport was ended. Mr. Mann continued: “This was not a good business deal for the company, or for the Port. I believe that the environmental issues could have been resolved, but our financial concerns could not be adequately addressed.” The vast majority of persons at the meeting were very pleased with this decision.

While this issue was being considered by the town of Newport, Oregon, the office of the Port Commissioners received hundreds of telephone calls of concern – from all over the country. As one commissioner said: “We have gained much free advertising – for the port and community. The whole world knows we’re here. This issue is bringing this concern to Oregon, and to the nation.” Bay Bridge’s next move on the West Coast remains to be seen. The company is still looking for a possible Oregon or Washington port.