

## Woods Hole Sea Grant: 1996-1998 Projects

### An Optimal Risk Sharing Strategy for Marine Oil Transport

*Di Jin, Hauke L. Kite-Powell, and John Farrington, Woods Hole Oceanographic Institution*

Risk management of oil transportation is a major concern facing both the marine transportation industry as well as those interested in the protection of coastal resources. Since the passing of the Oil Pollution Act of 1990 (OPA 90), oil carriers face unlimited liability in U.S. waters. During the first phase of this project, researchers developed an analytical model based on economic theory, and principles of environmental law, damage assessment and marine insurance to determine the optimal level of liability limits in marine transportation. In phase II, this project will expand the model to incorporate institutional and technological details for policy analyses and to develop empirical estimates and policy suggestions for public debates on oil imports and environmental protection. With certain portions of OPA 90 up for revision, this research will undoubtedly benefit federal and state agencies, as well as industry and nongovernmental organizations as they deal with marine transportation and environmental policy issues. (R/S-28)

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Mail: Woods Hole Oceanographic Institution, 266 Woods Hole Road, Woods Hole, MA 02543, USA.

E-Contact: [info@whoi.edu](mailto:info@whoi.edu); press relations: [media@whoi.edu](mailto:media@whoi.edu), tel. (508) 457-2000

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