



After years of alleged environmental mismanagement at Odfjell's Rotterdam tank storage terminal, an inspection by the DCMR Environmental Protection Agency – the regional environmental agency in Rijnmond – led to the temporary closure of the entire facility. Odfjell had a history of breaching environmental protocols and permit conditions long before this recent shutdown. Over the last 10 years, some 60 violations of varying degrees of seriousness have been identified by the authorities. The agency last had Odfjell in its sights in August 2011, when it failed to report a leak of two tons of butane.

The agency, which is an autonomous legal entity that works for and is governed by 15 local municipal authorities and the South Holland province, has itself also been under increased scrutiny after a fire at chemical storage company Container Masters International in Rotterdam in 1996 (for further details please see "Appellate court finds agencies liable for failure of supervision"). Not only were toxic chemicals that had been improperly stored released into the air, but a neighbouring transit warehouse was also destroyed by the fire. In 2011 the Civil High Court of The Hague held the agency liable for the damage caused to the neighbouring property, due to the fact that it had failed to supervise Container Masters International adequately. It is rare for an enforcement authority to be held liable as a result of failed supervision.

After the disastrous incident at Moerdijk - where on January 5 2011 Chemie-Pack, a chemical storage company, burned to the ground (for further details please see "Government takes Chemie-Pack to court over remediation following fire") - all environmental management agencies have become more stringent in enforcing regulations.

After Odfjell was placed under heightened supervision by the agency in response to the accidental release of two tons of butane in August 2011, it became apparent that it had consistently breached regulations and failed to maintain a safe working environment. In addition to leakage problems with several tanks, some of the tanks were in such bad condition that they were rendered unsound for further storage of hazardous substances.

In June 2012 Odfjell was forced to shut down completely and empty all of its storage tanks. Following some vital repair work, it was allowed to resume using a small proportion of tanks (13 out of a total of 283) in August. However, its clients had been inconvenienced by the shutdown; further, they had lost faith in Odfjell due to the fact that these problems had apparently been identified years earlier, but Odfjell had failed to take any remedial action. Shell, one of Odfjell's biggest clients, chose to terminate its relationship with Odfjell and decided to store its substances elsewhere.

This led to significant financial losses for Odfjell. The company is still not using the Rotterdam terminal at full capacity. Consequently, Odfjell has been forced to reorganise; it is thought that as many as 90 jobs in Rotterdam will be cut and remaining employees will face wage reductions.

Overlooking breaches, as the agency has done for several years, is no longer possible due to the public outrage after the Container Masters International and Chemie-Pack disasters and the publication of an internal report on Odfjell's safety standards. The agency has stepped up supervision and will not hesitate to act when breaches are discovered.

The question is no longer whether agencies are willing to act, but whether they have enough financial and personnel resources and technical experience to supervise big companies properly and sufficient legal powers to act effectively when breaches are discovered. Government services have seen their budgets cut year on year and do not have the resources to perform regular on-site checks. They must now rely heavily on data that is provided to them by companies themselves. In addition, for budgetary reasons, several services have been concentrated into one agency, whereas before specialised units existed for specific industries.

The agency learned of the leak at Odfjell's Rotterdam terminal only after a whistleblower stepped forward and volunteered the information. With industries becoming more and more complex and the number of specialised inspectors declining, one cannot help but feel that it is sheer luck that prevented a major disaster at Odfjell.