



APRIL 7, 2008

CIRCULAR NO. 08/08

TO MEMBERS OF THE ASSOCIATION

Dear Member:

**INTERNATIONAL CONVENTION ON OIL POLLUTION PREPAREDNESS, RESPONSE AND CO-OPERATION 1990 (OPRC): HAZARDOUS AND NOXIOUS SUBSTANCES (HNS): RECENT DEVELOPMENTS IN JAPAN**

Under the International Convention on Oil Pollution Preparedness, Response and Co-operation 1990 (OPRC), parties to the convention are required to establish measures for dealing with pollution incidents, either nationally or in co-operation with other countries.

A Protocol to extend the convention to apply to pollution incidents by hazardous and noxious substances (HNS) was adopted in 2000 and entered into force in certain countries, including the UK and Japan, on June 14, 2007 (OPRC - HNS).

Pursuant to the 2006 Japanese law relating to the Prevention of Marine Pollution and Maritime Disaster, with took effect on April 1, 2008, tankers over 150 gt carrying liquid HNS products e.g. kerosene, naphtha, jet oil, gas oil and noxious substances, when sailing in certain specified areas in Japan (Tokyo Bay, Ise Bay, Seto Inland Sea including Osaka Bay) are required to have access to materials, equipment and experts necessary for the prevention/elimination of HNS spills. The Maritime Disaster Prevention Center (MDPC) can provide these and, in reality, in order to comply with the requirement under this law, it is necessary for owners to pre-contract with MDPC.


The 2006 law is similar to that applying to tankers carrying persistent oil when calling at Japanese ports. Owners must pre-contract with MDPC in order to have access to the appropriate response equipment etc. MDPC is in effect acting as a spill response organization.

The latest MDPC contract has been reviewed by the International Group to ascertain whether it accords with the International Group's guidelines for OSRO contracts. Unfortunately it does not conform with those guidelines.

As a temporary measure, and to allow time for discussions with MDPC, the International Group's insurance brokers have arranged additional insurance to cover the increased liability, details of which are being clarified and will in due course be available from your Managers.

Members are asked to note these developments in order to prepare themselves for these new circumstances in Japan as the need might arise.

Yours faithfully,

  
Joseph E. M. Hughes, Chairman & CEO  
Shipowners Claims Bureau, Inc., Managers for  
**THE AMERICAN CLUB**