AMERICAN STEAMSHIP OWNERS MUTUAL PROTECTION AND INDEMNITY ASSOCIATION, INC.



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CIRCULAR NO. 36/13

TO MEMBERS OF THE ASSOCIATION

Dear Member:

UNITED STATES VESSEL RESPONSE PLANS

Non-tank vessels

Members are referred to Circular No. 28/13 of October 1, 2013 in which it was explained that the US authorities published their Final Rule addressing non-tank vessel response plans in the Federal Register, Vol. 78, No. 189, on September 30, 2013, and that all non-tank vessel owners were required to submit their vessel response plan (VRP) to the US Coast Guard by January 30, 2014.

For the purpose of preparing a VRP, a non-tank vessel is defined as a self-propelled, non-tank vessel of 400 gross tons or greater that carries oil of any kind as fuel for main propulsion and that operates on the navigable waters of the United States.

Non-tank vessel owners will be required to enter into contracts with oil spill contractors with sufficient response resources and dispersant capability to deal with a worst case discharge and to enter into funding agreements with salvors and marine fire-fighting resources. The requirements relating to salvage and marine firefighting were dealt with in Circular No. 29/13 of October 22, 2013.

In order to satisfy the spill response requirements, non-tank vessel owners will need to contract with either one of the main oil spill response organizations, Marine Spill Response Corporation (MSRC) or National Response Corporation (NRC).

In the past, most International Group (IG) Clubs entered into retainer agreements with both MSRC and NRC in order that non-tank vessel owners could cite either or both of them in their California State vessel response plans. However, it is impractical for the IG Clubs to extend these retainer agreements to deal with the federal vessel response plan requirements and, in future, therefore, non-tank vessel owners will need to contract with either MSRC or NRC directly. Members are recommended to liaise with their Ql/plan writers who should be able to assist them in this regard. Both oil spill response organizations have issued spill response contracts which conform with IG guidelines.

Both MSRC and NRC are also able to provide the necessary dispersant capability to enable non-tank vessel owners to comply with the new regulations. MSRC is willing to provide this facility at no extra charge on terms that comply with IG guidelines. NRC is also willing to provide this facility but, in order to do so on terms which comply with IG guidelines, it is expected that they will levy an additional annual charge.

For further details Members may consult the following websites:

MSRC http://www.msrc.org/ NRC http://www.nrcc.com/

Contact at MSRC : Judith Roos – Tel (703) 326 5617 – roos@msrc.org

Contact at MPA	: Brett Drewry – Tel: (480) 991 5599 – bdrewry@mpaz.org
Contact at NRC	: Tel: (631) 224-9141 - clientservices@nrcc.com (Client Service Group) or Bryan Bell (Primary) (631) 259-6664 - bbell@nrcc.com and Deborah Wick (Alternate) (631) 892-3392 - dwick@nrcc.com.

Tank vessels

Members are referred to Circular No. 24/11 of August 31, 2011 in which members were informed of the requirement which became effective in September 2011 for tank owners to cite in their VRPs a dispersant service provider.

Both MSRC and NRC have the dispersant capability. Both introduced addenda to their contracts to provide for this service, and some of the terms of both addenda result in the owners incurring liabilities which fall outside the scope of club cover. However, Members were able to obtain additional cover from the market for such liabilities by contacting the Managers for details.

On November 25, MSRC informed MPA tank members that their dispersant addendum had been withdrawn in so far as tank members were concerned. Therefore it will no longer be necessary to purchase additional insurance in regard to this addendum. Those Members who have purchased the additional cover on an annual basis should contact the Managers. With regard to NRC, it is possible to opt out of signing the addendum and thus avoid the exposure to liabilities falling outside the scope of Club cover by payment of an additional fee.

Tank and Non-tank vessels

All tank and non-tank vessel Members are reminded that, whether they have cited NRC or MSRC in their plans, if calling at Hawaiian ports it will be necessary to cite Clean Islands Council in the VRP as well. The Clean Islands Council contract does not conform with the IG VRP guidelines. Therefore, signing their contract could result in Members incurring liabilities which fall outside the scope of Club cover. Members wishing to obtain additional cover from the market for such liabilities can contact the Managers for details.

Yours faithfully, NELOS

Joseph E.M. <u>Hughes</u>, Chairman & CEO Shipowners Claims Bureau, Inc., Managers for THE AMERICAN CLUB

All clubs in the International Group have issued similar circulars.