



# Circular

Ref: 18/13

NOVEMBER 2013

## OUTLINE

- The Group clubs have terminated their retainer agreements with MSRC and NRC
- Non-tank vessel operators should contract directly with MSRC or NRC in future
- Both MSRC and NRC provide spill response contracts that conform with Group guidelines
- MSRC have withdrawn their dispersant addendum to spill response contracts making purchase of extended cover unnecessary
- NRC offer a fee-paying option to opt out of their addendum and avoid exposure to additional liabilities
- For tanker operators this Circular refers to Circular 10/11 – “US Pollution NRC and MSRC – MSRC Addendum concerning use of dispersants” and Circular 13/12 – “NRC and MSRC – Addenda Concerning Use of Dispersants to Contracts for Tank Vessels”
- For non-tank vessel operators this circular refers to Circular 12/13 - “United States Non-Tank Vessel Response Plans” and Circular 14/13 - “US Vessel Response Plans - Salvage & Marine Firefighting Requirements Final Rule - 30 September 2013. Deadline for implementation - 30 January 2014”

## TO THE MEMBERS

Dear Sirs

### UNITED STATES VESSELS RESPONSE PLANS

#### Non-Tank Vessels

Members are referred to the previous Club Circular 12/13 - “United States Non-Tank Vessel Response Plans” dated October 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 30th September 2013, and all non-tank vessel owners are required to submit their Vessel Response Plan to the US Coast Guard by 30th January 2014.

For the purpose of preparing a Vessel Response Plan (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 have been dealt with in the earlier Club Circular 14/13 “US Vessel Response Plans - Salvage & Marine Firefighting Requirements Final Rule - 30 September 2013. Deadline for implementation - 30 January 2014” dated October 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 organisations, 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 QI/plan writers who should be able to assist them in this regard. Both oil spill response organisations 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	<a href="http://www.msrc.org/">http://www.msrc.org/</a>
NRC	<a href="http://www.nrcc.com/">http://www.nrcc.com/</a>
Contact at MSRC:	Judith Roos – Tel (703) 326 5617 – <a href="mailto:roos@msrc.org">roos@msrc.org</a>
Contact at MPA:	Brett Drewry – Tel: (480) 991 5599 – <a href="mailto:bdrewry@mpaz.org">bdrewry@mpaz.org</a>
Contact at NRC:	Tel: (631) 224-9141 – <a href="mailto:clientservices@nrcc.com">clientservices@nrcc.com</a> (Client Service Group) or Bryan Bell (Primary) (631) 259-6664 – <a href="mailto:bbell@nrcc.com">bbell@nrcc.com</a> and Deborah Wick (Alternate) (631) 892-3392 – <a href="mailto:dwick@nrcc.com">dwick@nrcc.com</a>

Members may also wish to consult with their VRP plan writers regarding their choice of the OSRO.

### **Tank Vessels**

Members are referred to Club Circular 10/11 “US Pollution – NRC and MSRC – MSRC Addendum Concerning Use of Dispersants” dated August 2011 and Circular 13/12 – “NRC and MSRC – Addenda Concerning Use of Dispersants to Contracts for Tank Vessels” dated October 2012 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 25th November, 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 their club 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.

All clubs in the International Group of P&I Clubs have issued similar circulars.

Yours faithfully

**THOMAS MILLER (BERMUDA) LTD**

### **CONTACT**

Members requiring further information should contact Dr. Chao Wu ([chao.wu@thomasmiller.com](mailto:chao.wu@thomasmiller.com) or telephone +44 20 7204 2157).