

CIRCULAR

OUTLINE

Both Alaska Chadux and Alaska Maritime Prevention and Response Network (Network) have amended their contracts to conform with the IG VRP Guidelines. Members who sign up with the Network and/or Alaska Chadux from 20 February 2015 therefore no longer require additional cover.

Members still operating under an existing non-conforming enrolment form are encouraged to contact the Network and explore the possibility of switching to the new conforming form.

Guam Response Services Limited (GRSL) will cease to operate on or around 1 March 2015 and Oil Spill Response Operations Company LLC (OSROCO) will be the only OSRO in Guam.

This circular refers to Circulars 12/13, 14/13, 18/13, 19/13, 21/13, 27/13 and 28/13 relating to US VRP requirements.

TO THE MEMBERS

Dear Sirs,

US VESSEL RESPONSE PLANS – UPDATE RE ALASKA AND GUAM

Western Alaska

- Alaska Maritime Prevention and Response Network (AK-MPRN)
- Alaska Chadux

Guam

- Guam Response Services Limited (GRSL)
- Oil Spill Response Operations Company LLC [OSROCO]

Western Alaska

We refer to circulars 12/13, 14/13, 18/13, 19/13, 21/13, 27/13 and 28/13

Non-tank vessels in transit through Western Alaska waters en-route to or from a US port are required to follow Alternative Planning Criteria (APC) in order to fulfil federal requirements.

In order to meet APC requirements Members must enrol with the current sole provider of such services, the Alaska Maritime Prevention and Response Network (AK-AMPRN – “the Network”). Previously, neither the enrolment form of the Network nor the contractual terms of their primary response contractor, Alaska Chadux, conformed with International Group guidelines on vessel response plan contracts (“the Guidelines”), exposing Members to liabilities which fell outside the scope of P&I cover.

As a result of extensive recent discussions between the International Group and the Network and Alaska Chadux, the situation in respect of the terms of the respective enrolment form and contracts has been satisfactorily resolved, as set out below.

Alaska Maritime Prevention and Response Network (AK-AMPRN)

The wording of the Network enrolment form has been amended to conform with the Guidelines. The conforming enrolment form has the footer:

“Network Enrollment Agreement Part II – Terms and Conditions [02.2015v1]”

Members who sign up with the Network from 20 February 2015 therefore no longer require additional cover.

Those Members still operating under an existing, non-conforming enrolment form are encouraged to contact the Network and explore the possibility of switching to the new conforming form. For those Members unable to switch to the new conforming form, additional market insurance has been arranged by the International Group to give limited cover in respect of liabilities arising out of the non-conforming indemnity provisions of those existing enrolment forms which would fall outside of standard P&I cover. This insurance, relating to a limited period of existence of the non-conforming enrolment forms until their natural expiration, will be provided at no cost to Members and does not require Members to notify the Club when transiting Western Alaska.

Alaska Chadux

Members of the Network are required to sign a contract with Alaska Chadux in the event of a spill. Calls at Western Alaska ports for both tanker and non-tank vessels may also require Members to contract directly with Alaska Chadux.

Previously, the terms of the Alaska Chadux contract did not conform with the Guidelines, again potentially exposing Members to liabilities falling outside the scope of P&I cover. The wording of the Alaska Chadux contract has now been amended so that it conforms with the Guidelines and Members therefore no longer require additional insurance in order to contract with Alaska Chadux.

The conforming contract has the footer:

“Non-Member RAC (Network Form v2)”

Guam

We refer to circulars 12/13, 14/13, 18/13, 19/13, 21/13, 27/13 and 28/13

Guam Response Services Limited (GRSL)

As of 19 January 2015, GRSL (whose contract does not conform with the Guidelines) no longer offers services to non-members and the International Group is informed that they will cease to operate on or around 1 March 2015.

Oil Spill Response Operations Company LLC (OSROCO)

As of 20 February 2015, OSROCO will be the only Oil Spill Response Organisation (OSRO) in this region. OSROCO's contract conforms with the Guidelines. The contract has the following footer:

“OSRO Designation and Emergency Response Services Agreement 01 February 2015”

Other Non-Conforming Contracts

Members are reminded that some spill response contractors in Alaska other than the Network and Alaska Chadux, and in Oregon and Hawaii have contracts which do not conform with the Guidelines. Additional insurance may therefore be required by Members trading to these areas and Members should contact the Club for details of the additional insurance available.

The International Group is continuing to engage with such contractors in order to seek conformity with the Guidelines to ensure that additional insurance in this respect will be unnecessary in the future.

All Clubs in the International Group have issued similar circulars.

Yours faithfully

THE MANAGERS

For more information

Contact Dr. Chao Wu at chao.wu@thomasmiller.com or telephone +44 20 7204 2157