

18 April 2005

TO ALL MEMBERS

Dear Sirs

OIL POLLUTION : UNITED STATES NEW LEGISLATION FOR DRY CARGO SHIPS

On 8 August 2004, the Coast Guard and Marine Transportation Act was enacted requiring non-tank Vessel Response Plans (VRPs) to be prepared and submitted to the United States Coast Guard (USCG) no later than one year after the date of enactment.

On 4 February 2005, the USCG issued a Notice and Vessel Examination Circular No. 01-05 (<http://www.milhq/g-m/nvic/NVIC%2001-05.doc.pdf>) giving interim guidance to Owners and Operators for the preparation and submission of VRPs within the statutory deadline. The intention is for the USCG to issue Regulations as required by the Act but the timescale available may be insufficient to develop these Regulations. Therefore, the USCG may authorise a non-tank vessel to operate without an approved VRP for two years from the date of submission of a VRP if the Owner or the Operator certifies that they have contracts in place which will enable them to respond to a worst case discharge or substantial threat thereof.

The response plan must:

- (1) Be consistent with the requirements of the National Contingency Plan and Area Contingency Plans;
- (2) Identify the Qualified Individual having full authority to implement removal actions, and require immediate communications between that individual and the appropriate Federal official and the persons providing personnel and equipment pursuant to paragraph (3) below;
- (3) Identify and ensure by contract or other means approved by the USCG the availability of private personnel and equipment necessary to remove to the maximum extent practicable a worst case discharge (including a discharge resulting from fire or explosion), and to mitigate or prevent a substantial threat of such a discharge;
- (4) Describe the training, equipment testing, periodic unannounced drills, and response actions of persons on the vessel, to be carried out under the plan to ensure the safety of the vessel and to mitigate or prevent the discharge, or the substantial threat of a discharge;
- (5) Be up-dated periodically; and
- (6) Be re-submitted for approval of each significant change.

P.T.O.

The established U.S. organizations, such as ECM Maritime Services, Gallagher Marine Systems, Hudson Marine Management Services and O'Briens Oil Pollution Services, that provide VRPs for tank vessels' Owners and Operators are all offering to provide appropriate VRPs and the services of a QI for non-tank vessel Owners. These organisations will also advise Members on suitable organizations to provide salvage, firefighting and lighterage facilities. Members should check with the Managers to ensure that the contracts with their chosen organizations comply with International Group guidelines.

As Members have been previously informed, the Association currently has contracts with the two principal OSROs, Marine Spill Response Corporation and National Response Corporation, originally to provide spill response services at group contractual rates for non-tank vessels in California under that State's Regulations, and these contracts allow all Members with non-tank vessels to declare either or both organizations as their designated OSRO(s) under these Federal Regulations.

The USCG is requesting that all non-tank vessel Owners submit their VRPs as soon as possible and, at the latest, by 9 July 2005 in order to ensure that an authorisation letter, valid for two years, is issued prior to the 9 August deadline. If the USCG is unable to review all the submitted plans in the time available they may issue an interim authorization letter until its detailed review is complete. Members with vessels that are anticipated to call at US ports after 9 August 2005 should ensure that their VRP is submitted to the USCG at least 30 days before arrival in order to ensure that the vessel is not delayed.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)