



THE LONDON
STEAM-SHIP OWNERS'
MUTUAL INSURANCE ASSOCIATION LIMITED

All correspondence should be addressed to the Managers

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14 April 2008

TO ALL MEMBERS

Dear Sirs

Japanese Hazardous Substances Spill Preparedness Legislation

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 States. 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 14 June 2007 (OPRC - HNS).

The Association has learnt that pursuant to the 2006 Japanese law relating to the "Prevention of Marine Pollution and Maritime Disaster" and with effect from 1st April 2008, tankers over 150 gt carrying liquid HNS products as cargo e.g. kerosene, naphtha, jet oil, gas oil and noxious substances, when sailing in certain specified areas in Japan (including 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 2006 law is similar to that applying to tankers carrying persistent oil when calling at Japanese ports. Shipowners must therefore pre-contract with the Maritime Disaster Prevention Center (MDPC) in order to have access to the appropriate response equipment and expertise. MDPC acts as a spill response organisation.

The latest MDPC contract has been reviewed by the International Group of P&I Clubs to ascertain whether it accords with its guidelines for Response Organisation contracts. Unfortunately it does not so conform and it gives rise to exposure that presently falls outside P&I cover. As a temporary measure, therefore, and to allow time for discussion with MDPC, the Association has arranged additional insurance (with a limit of US\$25m) to cover the increased liability, details of which can be obtained from the Managers.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)

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