



The London P&I Club

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TO ALL MEMBERS

Dear Sirs

United States Vessel Response Plans

OSRO contracts

Reference is made to Circular No. 5.482 of 2 December 2013 and to the requirement that non-tank shipowners trading to the United States of America (US) should have in place federal Vessel Response Plans by 30 January 2014. In that Circular non-tank owners were advised that the International Group (IG) Clubs would not be continuing the retainer agreements with MSRC and NRC, originally introduced to enable non-tank owners trading to California to comply with California State law contingency plan requirements and that in future, therefore, non-tank vessel owners will need to contract with either MSRC or NRC directly. However, in order to effect a smooth transition, the retainer system with NRC will stay in place until 30 January 2014. With regard to MPA/MSRC, the current retainer arrangements will terminate on 31 December 2013. Those owners who have only cited MSRC in their current plans will need to ensure that they have direct contracts in place by 31 December 2013.

The MSRC and NRC contracts which conform with the IG Vessel Response Guidelines are as follows:

MSRC: footer (September 27, 1996)
NRC: header (September 15, 2004)

Dispersants

With regard to dispersants NRC have introduced an Addendum entitled DISPERSANT AMENDMENT RELEASE with footer DISPERSANT AMENDMENT RELEASE – December 2013. This conforms with International Group guidelines.

With regard to MSRC – in August 2011 they introduced the following clause in conjunction with a Dispersants Addendum:

2.01(e) – Discharges Involving Dispersant Services. MSRC may offer from time to time to provide aircraft, vessels or other services or Resources in connection with the supply or application of dispersants for Spill Events (“Dispersant Services”). ***Any additional or different terms and conditions applicable to the provision of Dispersant Services for such Spill Events will be set forth in an addendum to this Agreement executed by MSRC and the Company in advance or at the time of callout for the Spill Event. Dated: August 10, 2011.***

Members should note that the effect of this clause is that before providing dispersant services, MSRC reserves the right to require the owner to sign an Addendum on unspecified terms. As a result of this uncertainty this clause does not conform with IG VRP guidelines since by agreeing to it the member accepts that before dispersants are provided he/she may have to enter into an agreement with MSRC which exposes the member to liabilities falling outside the scope of Club cover. Accordingly, we would suggest that MSRC be asked to delete the text highlighted and in italics, in which case the contract and additional clause will conform with IG guidelines.

Frequently asked questions

The US Coast Guard have now published their Frequently Asked Questions (FAQs) on the non-tank final rule and these are attached.

Yours faithfully
A BILBROUGH & CO LTD
(MANAGERS)