

U.S. Oil Spill Response Drills

The Managers have been notified that unannounced oil spill response drills are to be held imminently in the Captain of the Port of New Orleans Zone of the United States Coast Guard (USCG). Details of this are set out in the following USCG Bulletin.

QUOTE

UNITED STATES COAST GUARD
SECTOR NEW ORLEANS

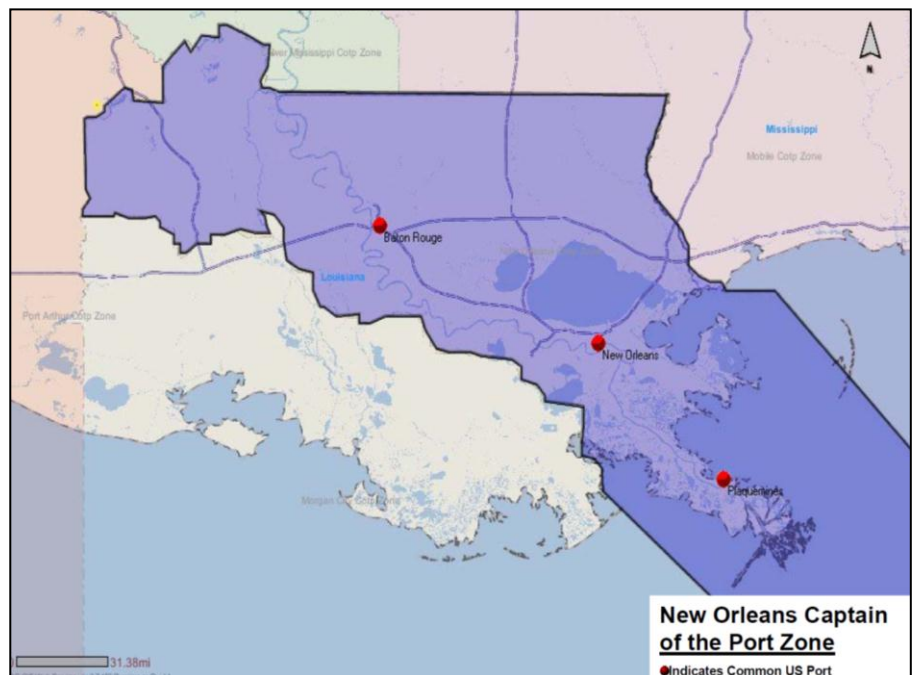
MARINE SAFETY INFORMATION
BULLETIN

Volume XII, Issue 126

30 October 2012
IMPLEMENTATION OF GOVERNMENT
INITIATED UNANNOUNCED
EXERCISES IN CAPTAIN OF THE PORT
NEW ORLEANS ZONE

This Marine Safety Bulletin is to inform the maritime industry that the Captain of the Port New Orleans intends to implement Government Initiated Unannounced Exercises (GIUE), in conjunction with the National Preparedness for Response Exercise Program (NPREP) Guidelines to all Vessel Response Plan (VRP) holders that are subject to GIUEs mandated by OPA-90. If selected, plan holders must be prepared to participate in the exercise in accordance with their approved VRP.

What is NPREP? The NPREP is a multi-agency program to exercise and evaluate government Area Contingency Plans and industry spill response plans. The exercise program meets the Oil Pollution Act of 1990



(OPA) mandate for exercises and represents minimum guidelines for ensuring overall preparedness within the response community. It should be viewed as an opportunity for continuous improvement of the response plans and the response system. The NPREP was developed as a coordinated effort of the four federal agencies with responsibility for pollution response preparedness-the U.S. Coast Guard, U.S. Environmental Protection Agency (EPA), Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), and Department of Interior's Bureau of Safety and Environmental Enforcement (BSEE). These agencies worked with various levels of government, the oil and marine

transportation industry, cleanup contractors, and the general public to develop the program. The NPREP Guidelines were developed through a series of public workshops. The NPREP Guidelines outline an exercise program that satisfies the plan holder's Federal exercise requirements. The NPREP Guidelines can be found at:

<http://www.piersystem.com/go/doc/2783/1302931/National-Preparedness-for-Response-Exercise-Program-NPREP-Compliance>

What is a GIUE? GIUEs are a response exercise conducted in accordance with Title 33 Code of Federal Regulations, Part 155.1060 and Part 154.1055, in conjunction with NPREP. These exercises are intended to allow plan holders the opportunity to



demonstrate their ability to respond to the average most probable discharge (AMPD) stated in their VRP. A GIUE is initiated without prior notice and begins when a Coast Guard representative arrives on-scene and presents a scenario. The outcome of the exercise is pass/fail, and the Coast Guard representative will discuss any necessary follow-up actions immediately following the exercise. The Coast Guard representative will ensure all applicable regulatory safety standards are followed during the exercise. It is the responsibility of the Master of the vessel to ensure all applicable company safety standards are followed and communicated to the Coast Guard representative. Response Plan holders that are directed to participate in a government-initiated unannounced exercise are required to participate AND are liable for all related expenses. Vessels must retain appropriate post exercise documentation for three years.

The scope of the exercise will:

- Involve response to an AMPD scenario
- Involve equipment deployment to respond to the spill scenario

You may contact the Sector New Orleans Incident Management Division at (504) 365-2398 for any questions or concerns.

UNQUOTE

Members with vessels operating in the Port of New Orleans Zone, which encompasses the ports of Baton Rouge, New Orleans and Plaquemines, are recommended to draw this bulletin to the attention of their Masters in order that they can be adequately prepared in the event that a vessel is boarded by a representative of the USCG to initiate an exercise.

It is of concern to note that in contrast with what might normally be expected in a drill scenario, these exercises will require the actual deployment of equipment to respond to the spill scenario. This will incur cost which will be for the account of the VRP holder. The Managers are seeking further information to determine when this threat of unannounced exercises will come to an end, and whether it is possible to avoid the actual deployment of equipment and the unnecessary expense associated with this.

In the event that a vessel is requested to participate in an exercise Members should contact their usual Syndicate claims team. If further information is required on this topic please contact the Loss Prevention Department of the Managers' London representatives:

loss.prevention@sims.com