



THE STEAMSHIP MUTUAL  
UNDERWRITING ASSOCIATION (BERMUDA) LIMITED

MANAGERS: STEAMSHIP MUTUAL MANAGEMENT (BERMUDA) LIMITED  
WASHINGTON MALL 1 PO BOX HM 447 HAMILTON HM BX BERMUDA  
TEL: (441) 295 4502 FAX: (441) 292 8787

To the Members

April 2005

Dear Sirs,

**New U.S. Nontank Vessel Response Plan Requirements**

New U.S. federal legislation requires self-propelled nontank vessels of 400 gross tons or greater that carry oil of any kind as fuel for main propulsion to maintain approved vessel response plans.

Pending final regulations, the U.S. Coast Guard has issued interim guidance that specifies that, with effect from 8<sup>th</sup> August 2005, owners and operators of such nontank vessels operating in the navigable waters of the United States will require:

- A vessel response plan approved by the U. S. Coast Guard;
- Contracts with organizations providing spill response, salvage, firefighting and lightering services with resources sufficient to deal with a worst case discharge (such organization(s) to be identified in the plan);
- A contract with an English-speaking Qualified Individual (QI) with full authority to implement the response and a Spill Management Team (to be identified in the plan).

This is similar to the Federal pollution response planning requirements already in place for tankers.

As the Coast Guard expects to receive a large number of response plans, it may be unable to review all of the plans in the detail required to approve them by 8<sup>th</sup> August 2005. In order to avoid disruption in vessel operations, the Coast Guard may issue an interim authorization letter until its detailed review is complete. However, it may still take up to one month to issue such an interim authorization letter. Plans should therefore be submitted as soon as possible but no later than by 8<sup>th</sup> July 2005.

Members will be able to comply with the new vessel response planning requirements in a number of ways, and there is presently a choice of QI's and spill managers available. However, in order to control the cost of pollution response, and to secure the availability of such services the Club has negotiated an arrangement with the following organizations which provide oil spill response services:

- Marine Spill Response Corporation (MSRC)
- National Response Corporation (NRC)

Both organizations provide services throughout the United States with the exception of Alaska. Those Members with nontank vessels trading in Alaska will already have in place contracts with response organizations covering Alaskan waters as required by current Alaskan State regulation. (Members were advised of these requirements in the Club's May 2003 Circular B.387.)

Under terms negotiated by the Club, Members will not be required to pay any subscription or retainer fee to either of these organizations. In this way Members will be able to identify the necessary response organizations in their vessel response plans at no cost. However, it should be noted that the arrangement requires Members to contract with these organizations and, in the event of a spill where their clean up services are employed, to pay the agreed rates for their services. Subject to deductible and any other relevant terms of entry, response costs incurred in this way will be covered under the terms of Club entry for pollution liabilities.

Several organizations are offering to provide the salvage, firefighting and lightering services required by these regulations. Members can contact the Club for advice as to which of these organizations have contracts which conform to the International Group guidelines.

A number of organizations can assist in drafting these plans. In order to simplify the process, the Club has made arrangements with Hudson Marine Management Services (Hudson Marine), under which Members will be able to have appropriate plans prepared.

Hudson Marine is an oil pollution and shipping consultancy firm and is able to provide vessel response plan services and/or QI services for nontank vessels. Their "pro forma" plan covers the entire United States coastline and is designed to comply with these new federal regulations. Upon incorporation of the necessary information for each vessel or fleet of vessels, the plan can be completed and submitted to the U.S. Coast Guard. HudsonMarine has agreed to arrange for the completion and maintenance of these plans at a discounted rate for Members

Members who have already arranged for their own QI or spill management team can, if they prefer, identify and use such organizations in conjunction with the completed plan available from Hudson Marine. Alternatively, Hudson Marine can also provide QI/spill management services at a discounted rate for Members.

Members who wish to use Hudson Marine to prepare their plan should contact them directly at the following address:

Hudson Marine Management Services  
4350 Haddonfield Rd.,  
Suite 302  
Pennsauken, NJ 08109  
USA

Tel: +1 856 486 0800  
Fax: +1 856 486 0081

Attn: Per W. Christensen, Captain John Johnsen & Timothy M. Gerland  
Email: [technical@hmms-usa.com](mailto:technical@hmms-usa.com)

Other spill management organizations based in the United States are offering similar services at varying costs. The arrangement with Hudson Marine has been agreed and is supported by the Club in order to facilitate and contain the cost of compliance for Members who wish to take advantage of it.

As stated above, the regulations have yet to be finalized and further circulars will be issued when additional information becomes available.

Yours faithfully,

THE STEAMSHIP MUTUAL UNDERWRITING  
ASSOCIATION (BERMUDA) LIMITED