

Dear Sirs,

**CALIFORNIAN OIL SPILL CONTINGENCY PLANNING REGULATIONS FOR NON-TANK VESSELS**

Members are referred to the [Club's circular of June 1999](#) which highlighted the anticipated changes to State oil pollution legislation in California.

These regulations have yet to be published but are anticipated to come into force from 1 September 1999. They are expected to mirror Federal Oil Pollution Act (OPA 90) regulations for tankers in requiring all non-tank vessels of 300 gross tons or more which enter Californian state waters (i.e. within 3 miles of the shore) to have:

1. A certificate of financial responsibility, issued by the administrator of the California Office of Spill Prevention and Response (OSPR), confirming that the vessel or fleet has demonstrated financial ability to pay for damage resulting from an oil spill, with a limit of up to U.S.\$300 million. OSPR will accept, as evidence of such financial responsibility, entry in the Club for P&I cover including oil pollution risks, provided that the deductible in respect of oil pollution liability is no greater than U.S.\$25,000. The fee for applying for a certificate of financial responsibility is \$100.
2. An oil spill contingency plan, approved by OSPR, consistent with State, area and national contingency plans and, where appropriate, with the vessel's safety management system. This is similar to Federal pollution response planning requirements for tankers, and will require an English-speaking qualified individual (QI), available 24 hours a day, with authority to implement the response. The plan will need to identify the spill management team and contracted oil spill response resources capable of dealing with a worst case discharge. Oil spill contingency plans must be submitted for approval 5 days prior to the vessel's entry into State waters.

It is anticipated that Members will be able to comply with the new Californian State 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, not only in California but elsewhere in the United States, the Association has been in discussion with various organisations which provide spill management and response services throughout the United States. These discussions have born fruit. As a result, Club Members owning non-tank vessels will be able to avail themselves of arrangements with the following spill response organisations:

- for vessels of 5,000 GT and above, Marine Spill Response Corporation (MSRC)
- for all vessels, National Response Corporation (NRC)
- for all vessels, Clean Bay which covers the coastline around San Francisco
- for all vessels, Clean Coastal Waters which covers the coastline south from Long Beach.

Depending upon whether their vessels are 5000GT or more, Members who wish to participate in the agreements reached with these contractors will need to enter into contracts with either 3 or 4 of them. Under the terms of the arrangements negotiated by the Club, the Member will not be required to pay any subscription fee or retainer fee to any of these 4 organisations.

This method of compliance with the new regulations will enable Members to identify the necessary response organisations in their oil spill contingency plans at no cost. However, it should be noted that the arrangement requires Members to contract with 3 or 4 of the organisations, as the case may be, and, of course, in the event of a spill, any or all of the

organisations which provide assistance with clean-up will then charge their agreed rates for their services. Subject to deductible and any other relevant terms of entry, response costs thus incurred will be covered under the terms of Club entry for pollution liabilities.

Each of the organisations will require certain information concerning the vessel and her owner/operator. The Association has arranged to pass on the necessary information to the relevant organisations, and Members who wish to subscribe will be asked to contact the Underwriting department of the Managers' London representatives as soon as possible so that the necessary documents can be sent to them for completion and return. The Association will then convey the necessary documentation to the response organisations.

The regulations will also require a vessel or fleet specific plan which must contain details not only of the spill response organisations identified in the plan but also of the vessel's particulars and other aspects of contingency planning.

A number of organisations can assist in the drafting of these plans. In order to simplify the process, the Club has made arrangements with ECM/Hudson under which Members will be able to obtain appropriate plans at a competitive rate.

ECM/Hudson is an oil pollution consultancy firm associated with the Club's U.S. correspondents. ECM/Hudson is producing a "pro forma" vessel response plan for non-tank vessels incorporating reference to the 4 spill response organisations referred to earlier. The "pro forma" plan covers the entire United States coastline and conforms with the new Californian state pollution regulations. Upon incorporation of the necessary information for each vessel or fleet of vessels, the plan can be completed and submitted to the appropriate Californian authorities. ECM/Hudson has agreed to arrange for the completion and maintenance of these plans at a cost of \$100 per vessel per year.

Members who have already arranged for their own Qualified Individuals or spill management team can, if they prefer, identify and use such organisations in conjunction with the completed plan available from ECM/Hudson. Alternatively, ECM/Hudson can also provide QI/spill management services. If Members wish to identify ECM/Hudson within their plan as a QI/Spill Manager, and if ECM/Hudson has also produced the vessel's oil spill contingency plan, the cost to the Members for both services will be limited to \$150 per vessel per year. This cost will include

- drafting and submission of the vessel's plan
- the services of ECM/Hudson as both QI and Spill Manager

not only for California but also for the entire U.S. seaboard.

Members who wish to use ECM/Hudson to prepare such a vessel response plan as detailed above should contact them directly at the following address:-

ECM/Hudson  
64, Danbury Road,  
Wilton  
Connecticut  
CT 06897  
Telephone: 203 761 6030  
Facsimile: 203 761 6085  
Attention: Mr Per Christensen

It is anticipated that evidence of conformity with the financial responsibility requirements must be included in any vessel response plan submitted to the Californian authorities for approval.

Accordingly, a copy of the vessel's COFR application documents should be provided to ECM/Hudson when requesting their assistance in preparing a vessel response plan. Alternatively, if ECM/Hudson is involved in the preparation of the plan, they are willing to deal with the COFR application process on behalf of the Member at no additional cost over and above the \$100 application fee.

Other spill management organisations based in the United States are offering similar services at varying costs. The arrangement with ECM/Hudson 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.

A further circular will be issued as soon as the Californian regulations have been published in their final form.

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