

# CIRCULAR

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CIRCULAR NO. 10/03

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TO MEMBERS OF THE ASSOCIATION

Dear Member:

## ALASKA: NEW POLLUTION REGULATIONS

On November 27, 2002 the State of Alaska enacted new regulations amending requirements in respect of financial responsibility and contingency plans for non-tank vessels trading in its waters.

The newly required discharge prevention and contingency plans need to be submitted for approval to the Alaska Department of Environmental Conservation (ADEC) by May 27, 2003.

### Financial Responsibility

The regulations do not alter the amount of financial responsibility required under local law for non-tank vessels. An application for approval of financial responsibility must be submitted to ADEC at least 15 days before the vessel commences operations in Alaskan waters.

Evidence of financial responsibility, required for all non-tank vessels exceeding 400 gross tons, can still be demonstrated by, inter alia, proof of entry of the vessel in a P&I Club. It must generally be renewed annually and applications for renewal must be submitted not less than 30 days nor more than 90 days prior to its expiry. If P&I cover is used as evidence of financial responsibility, confirmation of renewal of the P&I cover must be submitted no later than 60 days after such renewal.

However, from the date of enactment, the separate proof of financial responsibility that had to be provided in respect of deductibles applying to any insurance used to demonstrate financial responsibility is now only required in respect of deductibles exceeding \$50,000. Before these regulations came into force, any deductible, regardless of size, needed separate proof of financial responsibility.

### Contingency Plan Requirements

As of November 27, 2002 non-tank vessels require approved oil discharge prevention and contingency plans. These plans have to be submitted to ADEC for approval by May 27, 2003. From that date vessels exceeding 400 GT may not operate in Alaskan waters unless application for approval has been submitted.

The regulations allow for two types of plan, the *Equivalent Plan* and the *Streamlined Plan*.

#### Equivalent Plan

This is for companies intending to use their own clean-up resources and capabilities, and to provide their own incident management team to respond to an oil spill. The criteria for approval are

extremely thorough and detailed, and applicants must inform ADEC of their intent to submit an application for approval 60 days before doing so. The regulations do not state how long ADEC has to review such a plan. Given the operational cost of putting such a plan into place, it is unlikely that many shipowners will opt for this.

### Streamlined Plan

This is for applicants who wish to employ state-approved clean-up contractors and incident management services. The regulations give ADEC five days to approve an application for a *Streamlined Plan*.

Applications for such a plan must contain a statement by an individual who has authority to commit resources necessary to implement the plan – the “*Authorized Individual*”. This person does not need to be available in the event of a discharge or to be resident in Alaska.

The State Approved Vessel Response Plan is renewable every three years, and has to cover each region of the vessel's operation. There are 10 clearly defined regions under the regulations and the plan has to comply with the regulations in each of the regions in which the vessel intends to operate. The plan must identify:

- A Qualified Individual (who would perform the same functions as a Qualified Individual for a tank vessel as per federal regulations);
- An Incident Management Team; and
- An Oil Spill Cleanup Contractor.

The regulations also provide for approved *Response Planning Facilitators* (RPFs).

An approved RPF may submit a *Streamlined Plan* on behalf of a non-tank vessel. Such a party can either:

- Type 1: act as an intermediary between the applicant and the Qualified Individual, clean-up contractors and incident management teams; or
- Type 2: enter directly into agreements with clean-up contractors and incident management teams. Vessel owners and operators can then contract with the RPF directly in order to access the clean-up contractors and the incident management teams.

Given the amount of work involved in the plan application and approval process, being able to use an RPF will assist owners of vessels on spot charters or vessels which do not regularly call in Alaska.

The roles of the RPF, Authorised Individual and Qualified Individual can be fulfilled by one person. Where a *Type 2* RPF is involved, unless an owner specifies the use of a separate Qualified Individual (QI) the *Type 2* RPF will be the default QI. In the event of a casualty, the *Type 2* RPF will be the first person contacted: the RPF will then mobilize the Incident Management Teams and Clean-up Contractors, as well as the QI if the owner has chosen to include one in his plan.

A number of organizations have already been approved by ADEC to act in the various capacities outlined in the new regulations.



## Response Planning Standards

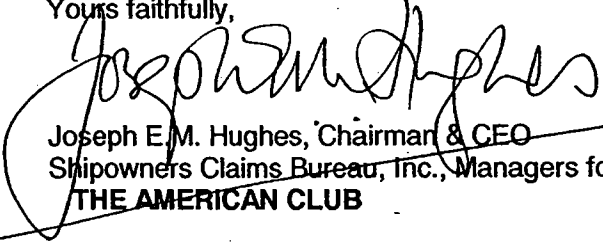
The clean-up resources contracted under the plan must be capable of arriving at a casualty in their region of operation within 24 hours of any discharge and have sufficient storage, transfer and clean-up equipment, personnel and other resources to contain and control 15% of the maximum oil storage capacity of the vessel within 48 hours. Any discharge must be cleaned up within the shortest possible time consistent with minimising damage to the environment.

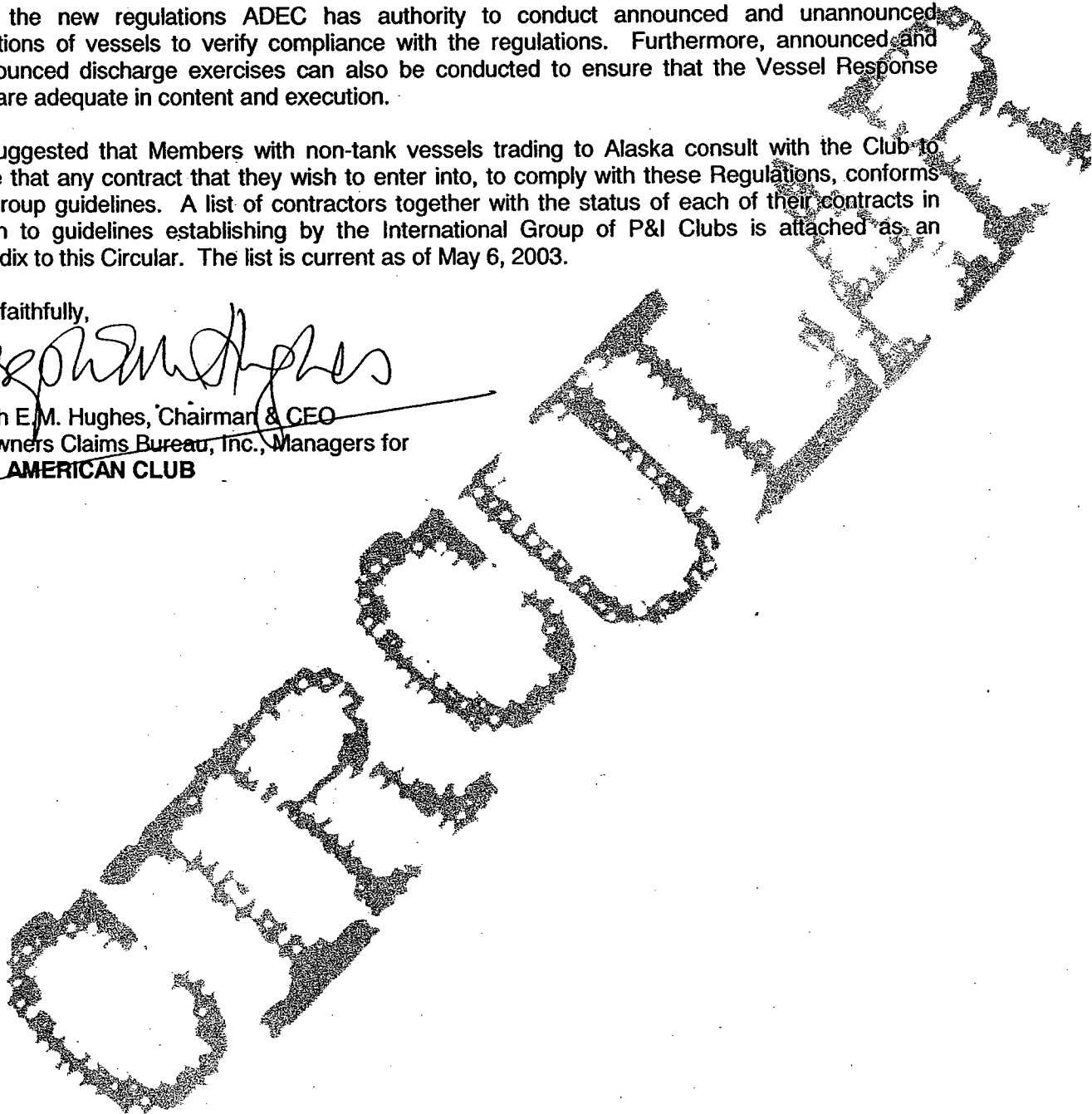
## Enforcement

Under the new regulations ADEC has authority to conduct announced and unannounced inspections of vessels to verify compliance with the regulations. Furthermore, announced and unannounced discharge exercises can also be conducted to ensure that the Vessel Response Plans are adequate in content and execution.

It is suggested that Members with non-tank vessels trading to Alaska consult with the Club to ensure that any contract that they wish to enter into, to comply with these Regulations, conforms with Group guidelines. A list of contractors together with the status of each of their contracts in relation to guidelines establishing by the International Group of P&I Clubs is attached as an Appendix to this Circular. The list is current as of May 6, 2003.

Yours faithfully,

  
Joseph E.M. Hughes, Chairman & CEO  
Shipowners Claims Bureau, Inc., Managers for  
**THE AMERICAN CLUB**



**CIRCULAR NO. 10/03 – APPENDIX**

**LIST OF CONTRACTORS**

**This list is current as of May 6, 2003**

**The status of each contract in relation to International Group guidelines is in Italics.**

**Cleanup Contractors**

**Statewide**

**Chadux (conditionally approved)**

2347 Azurite Court

Anchorage, AK 99507

Tel: (907)348-2365

FAX: (907)348-2330

Primary contact: Robert Heavilin

*Currently does not conform.*

**Foss Environmental Services (conditionally approved)**

205000 Richmond Beach Drive NW

Seattle, WA 98177

Tel: (206)546-7162

FAX: (206)546-7170

Primary contact: Stephanie Barton

*Currently does not conform.*

**Cook Inlet Region**

**CISPRI (Approved)**

P.O. Box 7314

Nikiski, AK 99635

Tel: (907) 776-5129

FAX: (907) 776-7416

Primary contact: Victoria Askin

*Currently does not conform.*

**Southeast Region**

**SEAPRO (Approved)**

540 Water Street Suite 201

Ketchikan, AK 99901

Tel: (907) 225-7002

FAX: (907) 247-1117

Primary contact: David Owings

*Currently does not conform.*

## **Incident Management Teams**

### **Statewide**

#### **Foss Environmental Services (Approval)**

205000 Richmond Beach Drive NW

Seattle, WA 98177

Tel: (206)546-7162

FAX: (206)546-7170

Primary contact: Stephanie Barton

*Currently does not conform.*

#### **Alaska Steamship Response (Approval)**

3300 Foster Ave.

Tel: (907) 586-2685

FAX: (907) 586-2692

Primary contact: David Eley

*Conforms.*

#### **The O'Brien Group (Approved)**

16200 Luna St.

Anchorage, AK 99516

Tel: (907)345-8517

FAX: (907)345-8527

Primary contact: James Burns

*Conforms.*

#### **ECM Maritime Services, LLC (review ongoing)**

64 Danbury Road

Wilton, CT 06897

Tel: (203) 761-6030

FAX: (203) 761-6085

Primary contact: Scott E. May

*Awaiting contract.*

### **Regions: Southeast, Prince William Sound, Cook Inlet, Kodiak Island, Aleutian, Bristol Bay and Western Alaska**

#### **Corbett & Holt/Gallagher Marine Systems (Approved)**

635 Slaters Lane

Suite 210

Alexandria, VA 22314

Tel: (703) 836-2200

FAX: (703) 836-3923

Primary contact: David Berry

*Currently does not conform.*

## **Response Planning Facilitators**

### **Alaska Steamship Response (Approved Type 1 & 2)**

3300 Foster Ave.

Tel: (907) 586-2685

*Conforms.*

FAX: (907) 586-2692

Primary contact: David Eley

### **The O'Brien Group (Approved Type 1 and 2)**

16200 Luna St.

Anchorage, AK 99516

*Conforms.*

Tel: (907)345-8517

FAX: (907)345-8527

Primary contact: James Burns

### **Paulsen & Associates, Inc. (Approved Type 1)**

4507 Shilshole Ave. NW

Seattle, WA 98107

*Contract not seen.*

Tel: (206)783-0730

FAX: (206) 783-0434

Primary contact: Barry Paulsen

### **ECM Maritime Services, LLC (review ongoing)**

64 Danbury Road

Wilton, CT 06897

*Awaiting contract.*

Tel: (203) 761-6030

FAX: (203) 761-6085

Primary contact: Scott E. May

### **Corbett & Holt/Gallagher Marine Systems (Approved Type 1 & 2)**

635 Slaters Lane

Suite 210

Alexandria, VA 22314

Tel: (703) 836-2200

FAX: (703) 836-3923

Primary contact: David Berry

*Currently does not conform.*

### **Hudson Marine Management Services (Approved Type 1 & 2)**

2525 Cherry Ave

Suite 125

Signal Hill, CA 90806

Tel: (562) 427-0222

FAX: (562) 427-0201

Primary contact: Frank Whipple

*Awaiting contract.*

**Compliance Systems Inc. (Approved Type 1)**

**Hamilton House**

**26 East Bryan Street**

**Savannah, Georgia 31401**

**Tel: (912) 233-8181**

**FAX: (912) 231-2938**

**Primary contact: Roger Tomlinson**

***Contract not seen.***