



NOVEMBER 11, 2013

CIRCULAR NO. 31/13

TO MEMBERS OF THE ASSOCIATION

Dear Member:

WASHINGTON STATE – CONTINGENCY PLAN REQUIREMENTS

Every tank vessel and every other vessel over 300 gt is required to file a contingency plan prior to entry into the waters of Washington State.

Instead of filing its own plan, an owner can subscribe to an umbrella oil spill contingency plan. For a number of years, vessel owners have been able to satisfy these requirements by enrolling with Washington State Maritime Co-operative (WSMC), albeit that the terms of the WSMC contract do not conform with International Group (IG) guidelines on Vessel Response Plans.

In the case of a spill, WSMC would manage the spill for the first 24 hours or until relieved by the vessel interest's own spill management team. In recent years, WSMC has contracted with National Response Corporation (NRC) as the primary response contractor to provide the spill response resources necessary to meet requirements of Washington State law, but that contract with NRC will end on December 31, 2013.

However, NRC now has in place its own Washington State Contingency Plan (NRC Covered Vessels Washington State Contingency Plan) which has received the approval of the Washington State Department of Ecology. From November 1, 2013, tank and non-tank owners may meet the requirements of Washington State law by signing a contract and addendum with NRC. Details can be found at <http://nrcwaplan.nrc.com/>. Moreover, the NRC Covered Vessels Washington State Contingency Plan does conform with IG guidelines. Those owners who have already signed a contract with NRC for the purposes of federal response need only sign the addendum.

While it will still be possible to enrol with WSMC, the resources of its new primary responder (Global Diving & Salvage, Inc) will not be sufficient to meet the requirements under Washington State law. These will need to be supplemented by the resources of one of the main OSROs, e.g. NRC or the Marine Spill Response Corporation (MSRC).

Members are reminded that the WSMC enrolment agreement does not conform with IG guidelines. By signing the enrolment agreement there is the potential that they may expose themselves to risks falling outside the scope of Club cover, for which additional insurance will be needed.

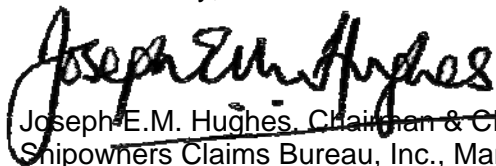
In addition, Members should note that, irrespective of whether the NRC Covered Vessels Washington State Contingency Plan or the WSMC enrolment agreement are used, it will still be necessary, prior to entry into Washington State waters with the exception of the Columbia River, to enrol with the Emergency Response Towing Vessel (ERTV) for the services of the tug stationed at Neah Bay. By signing an enrolment agreement for the ERTV, the owner ensures that the ERTV will be on standby each time one of his vessels calls at a Washington State port (with the exception of the Columbia River). It is a requirement of Washington State law that this tug be on standby during the visit of a vessel.

By signing the enrolment agreement the owner agrees to sign a contract with the owners of the tug should the services of a tug be required during the course of a visit. Members should note that the terms of the contract do not conform with the IG guidelines on Vessel Response Plans and additional insurance may be needed for vessel calls in Washington State waters except for the Columbia River. Those wishing for details are advised to contact their Club.

It is only necessary to enrol with the ERTV once. Therefore, those Members who have already signed an enrolment agreement in respect of the ERTV will not need to do so again but they may have to complete a new Schedule of Vessel Information if the particular vessel has not called at a Washington port before. Charges are levied in respect of the standby of the ERTV each time a vessel calls in Washington State waters and vary for tank and non-tank vessels. Details can be found at http://marexps.com/supporting/ertv/ertv_rates.

Members should note that Marine Exchange – an independent association which gathers and disseminates information on vessel traffic in and around Puget Sound and Grays Harbor - will be tracking vessels and if a vessel is seen to have a contract and Washington Addendum with NRC they will automatically invoice the owner direct (as opposed to through Washington State Maritime Co-operative).

Yours faithfully,



Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for

THE AMERICAN CLUB

All Clubs in the International Group of P&I Clubs have issued similar circulars.