

TO ALL OWNERS AND MEMBERS

28 December 2017

Dear Sirs

United States Coast Guard (USCG) – Vessel Response Plans (VRPs)

Hawaii - Dispersant Tier 1 and Average Most Probable Discharge (AMPD) Coverage effective 1 January 2018

Oil Spill Response Organisations (OSROs) – MSRC, NRC and Clean Islands Council (CIC) - Updates

Hawaii

Owners/Members are referred to the recent Client Advisory Notices issued by MSRC and NRC informing shipowners that, with effect from 1 January 2018, all required OSRO coverage in Hawaii will now be provided directly by MSRC or NRC. This will include AMPD coverage for tank vessels conducting transfer operations at the Barbers Point moorings, Hawaii as well as providing Dispersant Tier 1 coverage for both tank and non-tank vessels operating in Hawaii.

These services are currently provided by Clean Islands Council (CIC) through its existing contractual arrangements. CIC will no longer offer these services from 31 December 2017.

Both MSRC and NRC will provide the enhanced coverage in Hawaii to tank and non-tank vessel owners through their existing OPA 90 standard service agreements for oil spill response. These agreements conform to the International Group's Guidelines for Vessel Response Plan contracts and have the following footers:

MSRC – 27 September 1996

NRC – 15 September 2004

Owners/Members with vessels that previously called in Hawaii may be aware that CIC's previous contract wording did not conform with the IG's VRP Guidelines and that additional insurance was recommended. Shipowners citing either MSRC or NRC in their vessel response plans will no longer need to sign an additional contract with CIC for oil spill response services. Therefore, additional insurance cover is no longer required for vessels trading to Hawaii.

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MSRC

MSRC will be acquiring the necessary resources and relocating some equipment from the mainland to support the extended OSRO coverage services and plan citation rights for MPA member companies. Tank and non-tank vessel owners must be a member of MPA nationally to access MSRC's Dispersant Tier 1 and AMPD capability in Hawaii. MSRC will therefore be able to offer the full complement of response plan citation requirements under the USCG's regulations for tank and non-tank vessel owners trading to Hawaii. MSRC will also be enhancing response capability for vessels calling in the outer Islands.

In addition to services in Hawaii, MSRC will have the necessary OSRO Classifications from the USCG to meet the planning timeframes in the High Volume Port Area of St Croix in the US Virgin Islands by repositioning some US Caribbean assets. This will be available for vessels transiting the St Croix Captain of the Port Zone (COPZ) and calling at St Croix. MSRC will continue to operate in Puerto Rico with personnel and equipment.

MSRC will also provide OSRO coverage for vessels operating in the Great Lakes/Mississippi River System. Shipowners should seek MSRC's written permission if they are intending to cite MSRC in their vessel response plans for these areas.

California State requirements for Port Hueneme and Monterey – Effective 1 January 2018

MSRC is once again able to provide shipowners calling Port Hueneme, California with the capability to meet the California State regulatory coverages. This includes both the skimming and shoreline protection requirements under California State regulations for tank and non-tank vessels. MSRC continues to provide the coverage for those ships transiting the Santa Barbara Channel.

MSRC has received the required Oil Spill Response Organisation (OSRO) Rating from the State of California allowing customers to cite MSRC for this service and also for vessels requiring this coverage off Monterey, California.

NRC

NRC will expand their existing OSRO classification coverage in Hawaii and will be placing additional response assets to provide the shipowners with full AMPD through Worst Case Discharge and Dispersant capability for regulatory compliance in Hawaii.

With the expansion of NRC's USCG OSRO coverage in the Honolulu COPZ, shipowners citing NRC in their vessel response plans will no longer need to sign a supplementary agreement with CIC or MPA/MSRC.

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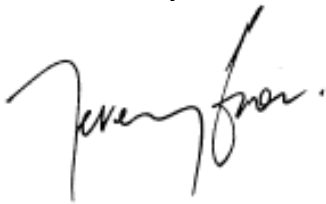
Clean Islands Council (CIC)

Clean Islands Council, Hawaii, will be merging with MPA/MSRC. However, CIC will continue functioning as an operational company providing the non-OSRO related services, such as aerial observation, training, marine fire-fighting etc. The CIC Services Agreement does not conform with the IG's Guidelines for Salvage and Marine Fire Fighting (SMFF).

All shipowners already cite SMFF services in their VRPs for the United States and the International Group understands that, at present, all SMFF providers are considered by the USCG to be fully compliant in Hawaii. The Funding Agreements for all the following SMFF providers - Ardent, Donjon Smit, Marine Response Alliance, Resolve Salvage & Fire (Americas) Inc and T&T Salvage, LLC conform with the International Group's Guidelines for insertion of Salvor Contracts in US VRPs.

All clubs in the International Group of P&I Clubs will be issuing similar circulars.

Yours faithfully



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