

July 1999

**TO ALL MEMBERS OF CLASS 3 -
PROTECTION AND INDEMNITY
and US OIL SPILL CORRESPONDENTS**

US Oil Pollution

California Legislation affecting Non-Tank Vessels

New California legislation prohibits any non-tank vessel (defined as a vessel that is “not designed to carry oil as cargo”) of 300 gross tons or more from operating in the marine waters of California (three miles from the shore) after 1st September 1999, unless her owner or operator has prepared and submitted to the California Office of Spill Prevention and Response (OSPR) an oil spill contingency plan for the vessel. This must name, amongst other things, a qualified individual (QI), a spill management team (SM) and an oil spill response organisation (OSRO). The vessel owner or operator must also have obtained a Californian Certificate of Financial Responsibility from OSPR upon demonstrating the ability to pay at least USD300m to cover damages caused by a spill.

These requirements are very similar to those for tankers.

California Certificate of Financial Responsibility

Members can obtain Certificates of Financial Responsibility (COFRs) by producing copies of their Certificates of Entry in the Association to the OSPR and payment of the fee of USD100 per ship.

Oil Spill Contingency Plans

The Pacific Merchant Shipping Association (PMSA) is developing a scheme which would allow owners to obtain plan writing, QI, SM and clean-up (OSRO) services through PMSA. Owners would then need to submit these plans to the OSPR showing the designated QI and agent for service of process as well as providing prescribed ship specific information.

The Managers are, however, pleased to report that the arrangements set up by the Association earlier this year (Club Circular; United States of America - Oil Pollution, dated 14th January 1999 refers) will be adequate to deal with the Californian requirements.

This will involve Gallagher Marine Systems (GMS) writing the necessary plans and acting as QI and SM, while the Marine Spill Response Corporation (MSRC) act as OSRO. Whilst, Members remain responsible for their plans and for submitting them to the authorities, the Association strongly encourages Members to use the combination of GMS and MSRC which should be both effective and competitively priced. GMS have developed a questionnaire, which is available on request, to enable them to produce and submit the necessary plan documents to the Californian authorities on behalf of Members. Members should note that submissions of oil spill contingency plans should be made to OSPR at least 15 days before any visit to Californian ports and that the submission of such plans can only take place once their California COFR has been obtained.

p.t.o.

It should be noted that the Californian authorities have still not issued final regulations and this circular is based on our understanding that there is unlikely to be any change of substance from the current draft regulations. OSPR have also confirmed that, although the implementation date of 1st September will not be changed, the Californian authorities will enforce the regulations with an understanding of the short time frame involved, provided that owners have taken steps to comply. Members are therefore encouraged to make early application to both OSPR and GMS, despite the fact that final regulations are not yet published.

The address for application for Certificates of Financial Responsibility is:-

Department of Fish and Game
Office of Spill Prevention and Response (OSPR)
PO Box 944209
Sacramento, California 94244-2090

Tel: +1 916 324 0003
Fax: +1 916 323 4727

The address for applying to GMS is:-

Gallagher Marine Systems Inc.
635 Slaters Lane
Suite 210
Alexandria, Virginia 22314-1537

Fax: +1 703 836 3923
Tel: +1 703 836 2200
Tel: +1 703 683 4700 (24 hours)