

No. 3 2015/2016 - Oil Spill Response Contract Requirements-Uruguay

May 2015

Translations: Chinese  Vietnamese 

Dear Sirs,

Oil Spill Response Organization Contract Requirements - Uruguay

Legal Framework

Article 6 of Uruguayan Law 19.012, which entered into force on 23 November 2012, established an obligation for some types of vessels and floating structures to contract with an Oil Spill Response Organization (OSRO).

Members are referred to Notice to Members No. 24 2014/2015 which informed Members of a new Uruguayan regulation, Disposición Marítima N° 149, which was due to take effect from 20 February 2015. However, we subsequently informed Members that the Uruguayan Coast Guard had decided to suspend the entry into force of Disposición Marítima N° 149, pending clarification of certain issues with the OSROs.

On 4 May 2015, the Uruguayan Coast Guard published Disposición Marítima N° 157 (the "Regulation") (which replaces Disposición Marítima N° 149), specifying the types of vessels which will need to have a contract with an OSRO, as well as technical and safety measures required during bunkering operations and a draft OSRO contract. The Regulation will take effect on 15 May 2015.

The information below is based on a direct translation of the Regulation. It is recognised that this gives rise to uncertainty in some respects but at this stage we do not have information to enable us to advise further on interpretation of the wording of the Regulation.

Vessels Required to have an OSRO Certificate

The Regulation applies to the following types of vessels and floating structures:

- a) Tankers, barges, small craft, fishing vessels or other marine equipment operating, transferring or transporting hydrocarbons or derivatives, hazardous or noxious substances or liquid minerals, or engaged in refloating operations for vessels or marine equipment.
- b) Any of the above vessels requesting authorization to anchor in waters under Uruguayan jurisdiction for a period greater than 24 hours whilst waiting for orders or to enter Uruguayan ports, terminals, berths, etc.
- c) Vessels considered deficient by the Maritime Authority in accordance with Law 17.121 relating to assistance and salvage services provided to vessels posing a danger to navigation or the environment).

d) Vessels supplying offshore platforms, fixed or mobile installations for exploration and exploitation of living and non-living resources in the Territorial Sea, Contiguous Zone, Exclusive Economic Zone or Continental Shelf.

Those vessels to which the Regulation applies are required to present the local Prefecture with an OSRO Certificate issued by a local OSRO licensed by the Coast Guard, as well as a P&I Club Certificate of Entry and, if appropriate, a CLC Certificate. Documents need to be provided 24 hours in advance of anchoring, storage or transport operations.

OSRO contracts must be entered into through a local agent (unless the vessel is Uruguayan flagged, in which case the Owners may enter into such contracts directly).

Available OSRO Contracts

Notice to Members No. 24 2014/2015 informed Members that two OSRO's had been licenced by the Coast Guard for the purposes of the Regulation, namely Marine Environmental Care Lasimar S.A. and CINTRA Golantex S.A, and that the International Group had reviewed the contracts for both OSROs.

The International Group now understands that Lasimar S.A. has ceased operations. The terms of the CINTRA Golantex S.A. contract conform with the International Group vessel response plan guidelines and the liabilities arising therein fall within the scope of Members' P&I cover, without the need for additional cover to be purchased from the market.

The International Group understands that another OSRO, named LIFISOL S.A, has now been licenced by the Coast Guard for the purposes of the Regulation. However, the International Group has yet to receive and review the LIFISOL S.A. contract. An update to Members will be provided once the LIFISOL S.A. contract has been reviewed.

Vessels Not Required to Contract with an OSRO in Advance

Those vessels which are not transporting, operating or transferring hydrocarbons or derivatives, hazardous or noxious substances, or liquid minerals will not be required to have a contract with an OSRO, except in the event of an oil spill, in which case MARPOL Annex I, Chapter 5, Regulation 37 will apply.

Other Provisions

Vessels which remain anchored for more than 24 hours in Uruguayan waters will need to appoint an Agent.

Vessels carrying liquefied natural gas (LNG) will need to comply with specific requirements which will be issued by the Coast Guard in due course.

Suppliers of bunkers and other oil products will coordinate their contingency plans with the OSROs assigned to each transfer or transport operation.

The International Group will continue to review the Regulation, and any further update to Members will be provided in due course where necessary.

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

Yours faithfully

For: **West of England Insurance Services (Luxembourg) S.A.**
(As Managers)

