

No. 14 - United States Oil Pollution/Vessel Response Plans

January 1998

Dear Sirs

United States Oil Pollution/Vessel Response Plans

Many Members will be aware that Seacor Smit, the parent company of NRC, has acquired Erst/ O'Brien, an emergency management company which provides qualified individual (QI) and spill management (SMT) services to shipowners obliged to appoint a QI under OPA 90. In connection with that acquisition, Seacor Smit has announced that it will offer shipowners a single lower fee for the combined QI/SMT and oil spill removal organisation (OSRO) services. The services of NRC and Erst/O'Brien will also be available to shipowners separately. The QI and SMT fulfil both a statutory requirement under OPA 90 and, as a matter of practice, a role as the Owners' representative during an oil spill response. The QI/SMT must fulfil its statutory duties and also must ensure that the spill response is effective and cost efficient. Because the QI/SMT represent the Owners' interests, it is important that they exercise independent judgement and control over the contractors engaged in clean up operations. Spill management and oversight by a QI/SMT that is not truly independent from the clean up contractors may compromise the decision making and may result in unnecessary added costs. If through lack of independent and rigorous supervision of spill contractors the costs of clean up increase, Members may fail to recover such increase in costs from the Club. For that reason, we strongly urge that Club Members carefully consider these issues when contracting with QI/SMT and OSRO services.

Yours faithfully

**The West of England Ship Owners
Insurance Services Limited**
(As Managers)

C.A.G. HAVERS
Director