



KPI Information Update IU-88-2015

PRC ship pollution response organizations (SPROs)

As a third party liability the clean up costs after an oil pollution incident are covered by protecting and indemnity clubs. The quantum of claim tends to be unpredictable depending on location, amount of pollutant, type of pollutant and whether the operation is controlled by ship owner's contractors or by the coastal states in whose jurisdictions the pollution has taken place either with or without an agreement with owners or their servants on board. There is always a proviso to the general rule in that if an agreement been entered into for the same, the club is to be notified in order for the managers to review the contents and to ensure that owners have not increased their liabilities beyond those that defeats the concept of mutuality.

The PRC (China) as a major trading nation has introduced a pollution response system since 2012, requiring ships carrying hazardous cargoes in bulk and other ships of 10000 GT and upwards to enter into a contract with one of the twelve local maritime safety agencies for the clean up activities to be controlled by SPROs approved by them. The proliferation of these SPROs (currently over 146) has caused uncertainty as to the expenses that the ship owner and its insurer may face with. However till a unified possible future contract with tariffs for personnel, equipment, fuel, etc. be agreed the following considerations may

help companies operating ships in that area:

1-The ship's masters to read the text of the contract to make sure that it agrees with the one attached to this message and to notify the club through company's insurance department if there are any discrepancies.

2-Master's to make sure that if a boom can be rigged around the vessel or some other equivalent measure to prevent the spread of pollutant, if one is provided by the port called.

3-To carry out the regular exercise with participation of MSAs and SPROs as required by the attached agreement to improve ship's staff skill in dealing with spills.

4-To make sure that the pollution response operation plan provided by MSAs are on board, gone through and understood by ship's staff.

5-In accordance with the attached agreement the SPROs should operate under the direction of master in cases of actual oil spill, thence master may have some control on the ultimate costs.

6-Observance of on board safety management procedures may reduce number of pollution incidents.

<http://kishpandi.com/download/pdf/bulletin&news/MSA-Agreement%20for%20ship%20pollution%20response-chaina-SPROs.pdf>