

CLIENT ADVISORY LETTER 2011-02

February 20, 2011

Updates to Dispersant and Aerial Tracking Regulation Effective February 22, 2011

Dear Client,

We write to provide you with updated guidance for the requirements under 33 CFR Parts 154 and 155 for Facility and Vessel Response Plans for oil removal equipment requirements and Alternative Technology Revisions (Dispersants) effective February 22, 2011. (Please see the attached APC approval letter and guidance memo from the USCG.)

As an update to our Client Advisory Letter 2011-01, sent out on February 12, 2011, NRC has received Alternate Planning Criteria (APC) approval from the USCG. This APC approval will eliminate the need for plan holders to submit individual APCs to the USCG and allow NRC Vessel and Facility Response Plan clients to name National Response Corporation (NRC) as your approved Oil Spill Removal Organization (OSRO) for compliance with the new dispersant and aerial tracking regulation.

With the APC in place, the USCG has begun sending out **Interim Operation Authorization (IOA)** letters to vessel plan holders and plan preparers that list NRC as their OSRO for compliance with the regulation. The APC and IOA will remain in effect until August 21, 2011 while the USCG and OSROs work to finalize the OSRO classification guidelines. Marine Transportation Related (MTR) facilities subject to the new requirement can request IOA letters from their COTP Sector office if needed.

The USCG sent out further guidance on Friday, February 18, 2011, to clarify aerial tracking and dispersant requirements for MTR Facilities (FRP) and Tank Vessels (VRP) plan holders operating in inland areas or in pre-authorized dispersant zones.

The USCG has reviewed the term "inland rivers" and advised that the "inland" and "inland rivers" operating areas are the same. This significant clarification relieves tank vessels and MTR facilities operating exclusively in inland areas (Ports, Harbors, Rivers, and the Great Lakes) from the requirement to have aerial tracking or dispersant response capability.

Further, the USCG has clarified the requirement for Vessels and MTR Facilities that operate in the inland area vicinity or within pre-authorized areas. The guidance clarifies that facilities that are not physically located within the pre-authorized dispersant zones do not have to comply with either the dispersant or aerial tracking requirements. That is, since most pre-authorized dispersant areas are approximately .5 to 3 nautical miles offshore, most 33 CFR 154 MTR facilities are relieved from this requirement.



Client Advisory

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Facilities that are located in pre-authorized zones or tank vessels and tank barges that transit through these zones must comply with the regulation and ensure that they have response capability for both dispersant and aerial tracking capability. Again, the IOA will give interim approval to vessels and affected facilities until August 21, 2011. The USCG has given MTR facilities affected by the requirement extra time to submit plan revisions by March 24, 2011.

As soon as the OSRO dispersant classification program is finalized by the USCG, we expect NRC to receive a final classification such that our clients will be able to identify NRC as their OSRO dispersant and aerial tracking provider without reliance on the current ACP and IOA procedure. We will continue to monitor the implementation of the regulation and update you if there are any further developments.

Should you have any questions, I can be reached at 631 224-9141.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven A. Candito". The signature is fluid and cursive, with the first name being the most prominent.

Steven A. Candito
President