TO: ALL SHIPOWNERS, OPERATORS, MASTERS AND OFFICERS OF MERCHANT SHIPS, AND RECOGNIZED ORGANIZATIONS


References: (a) International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001  
(b) International Convention on Civil Liability for Oil Pollution Damage, 1992  
(c) Convention on Limitation of Liability for Maritime Claims, 1976, as amended  
(d) Marshall Islands Maritime Act, 1990 as amended (MI-107), Section 103 and Section 155  
(e) Marshall Islands Maritime Regulations (MI-108), Chapter 2, Section 2.11.2, Compliance with International Conventions, Agreements and National Standards  
(f) Marshall Islands Vessel Registration and Mortgage Recordation (MI-100), Chapter III, Section 2 B12, Proof of Liability Insurance  
(g) Marshall Islands Marine Notice 1-002-1, List of Administration Service Offices

PURPOSE:

This Notice serves to advise all parties that the Republic of the Marshall Islands (the Republic) has ratified the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (the “Bunker Convention”), on 18 April 2008 and deposited its instrument of accession with the International Maritime Organization on 9 May 2008. The Bunker Convention, the date of entry into force of which is 21 November 2008, requires the maintenance of compulsory insurance or financial security, the proof of such coverage shall be through certification. The details for the application of which are herein provided. This Notice supersedes the original issue of 6/08.

APPLICATION:

1.0 The Bunker Convention applies exclusively to pollution damage caused in the territory, including the territorial sea, of a State Party, and in the exclusive economic zone of a State Party, established in accordance with international law, or, if a State Party has not established such a zone, in an area beyond and adjacent to the territorial sea of that State determined by
that State in accordance with international law and extending not more that 200 nautical miles from the baselines from which the breadth of its territorial sea is measured; and preventive measures, wherever taken, to prevent or minimize such damage.

2.0 The Bunker Convention does not apply to pollution damage as defined in the International Convention on Civil Liability for Oil Pollution Damage, 1992, whether or not compensation is payable in respect of it under that Convention.

REQUIREMENTS:

3.0 Compulsory Insurance or Financial Security

3.1 The registered owner of a ship having a gross tonnage greater than 1000, registered in the Republic, entering or leaving a port in its territory, or arriving at or leaving an offshore facility in its territorial sea, or the territory of a State Party, shall be required to maintain insurance or other financial security, such as the guarantee of a bank or similar financial institution, to cover the liability of the registered owner for pollution damage in an amount equal to the limits of liability under an applicable national or international limitation regime, but in all cases, not exceeding an amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims, 1976, as amended.

3.2 There shall be issued to each ship a certificate attesting that insurance or other financial security is in force in accordance with the provisions of the Bunker Convention.

4.0 Definitions

For the purposes of this Notice, the following definitions are brought forward here from the Bunker Convention:

4.1 Ship means any seagoing vessel and seaborne craft of any type whatsoever.

4.2 Shipowner means the owner, including the registered owner, bareboat charterer, manager and operator of the ship.

4.3 Registered owner means the person or persons registered as the owner of the ship or, in the absence of registration, the person or persons owning the ship.

4.4 Bunker oil means any hydrocarbon mineral oil, including lubricating oil, used or intended to be used for the operation or propulsion of the ship, and any residues of such oil.

4.5 Gross tonnage means gross tonnage calculated in accordance with the tonnage measurement regulations contained in Annex 1 of the International Convention on Tonnage Measurement of Ships, 1969, as may be amended from time to time.

4.6 Pollution damage means (a) loss or damage caused outside the ship by contamination resulting from the escape or discharge of bunker oil from the ship, wherever such escape or discharge may occur, provided that compensation for impairment of the environment other than loss of profit from such impairment shall be limited to costs of reasonable measures of
reinstatement actually undertaken or to be undertaken; and (b) the costs of preventive measures and further loss or damage caused by preventive measures.

4.7 Preventive measures means any reasonable measures taken by any person after an incident has occurred to prevent or minimize pollution damage.

4.8 Incident means any occurrence or series of occurrences, having the same origin, which causes pollution damage or creates a grave and imminent threat of causing such damage.

4.9 Person means any individual or partnership or any public or private body, whether corporate or not, including a State or any of its constituent subdivisions.

5.0 Liability of the Shipowner

5.1 Except as provided otherwise in Article 3 of the Bunker Convention, the shipowner at the time of an incident shall be liable for pollution damage caused by any bunker oil on board or originating from the ship, provided that, if an incident consists of a series of occurrences having the same origin, the liability shall attach to the shipowner at the time of the first of such occurrences. Please note the definition of shipowner.

5.2 Where more than one person is liable in accordance with paragraph 5.1, their liability shall be joint and several.

5.3 When an incident involving two or more ships occurs and pollution damage results therefrom, the shipowners of all the ships concerned, unless exonerated under Article 3 of the Bunker Convention, shall be jointly and severally liable for all such damage which is not reasonably separable.

5.4 Any claim for compensation for pollution damage may be brought directly against the insurer or other person providing financial security for the registered owner’s liability for pollution damage. In such a case, the defendant may invoke defenses that the shipowner would have been entitled to invoke, subject to the rights and limitations enumerated in paragraph 10 of Article 7 of the Bunker Convention. The defendant in any event shall have the right to require the shipowner to be joined in the proceedings.

6.0 Limitation of Liability

Nothing in the Bunker Convention affects the right of the shipowner and the person or persons providing insurance or other financial security to limit liability under any applicable national or international regime, such as the Convention on the Limitation of Liability for Maritime Claims, 1976, as amended, to which the Republic is a State Party.

7.0 Certification Requirements

7.1 A Certificate of Insurance or Other Financial Security in Respect of the Bunkers Convention (CLBC form MI-234A) attached at annex, as required by Maritime Regulation 2.11.2, will be issued by the Maritime Administrator, or an official who is authorized to act for and on behalf of the Maritime Administrator, upon receipt and approval of proof of liability.
insurance or other financial security submitted by the *registered owner*. Please note the emphasis on *registered owner*.

7.2 Proof of coverage usually takes the form of a “cover note” or similar confirmation sometimes referred to as a “Blue Card,” which verifies that liability insurance coverage is currently in full force and effect for the vessel.

7.3 In the case of a self-insurer, proof of coverage may be a duly acknowledged statement (see Publication MI-100, Chapter V, Section 2(B)(2) for an example) with an attached auditor’s report, setting forth the type and amount of the vessel’s liability reserve, and the nature of security provided.

7.4 In either case, this proof shall cover the following:

a. protection and indemnity cover in force with respect to the vessel and issued by either;
   
   (1) a member Club of the International Group of P & I Clubs;
   
   (2) a non-member Club of the International Group of P & I Clubs with a contractual agreement for re-insurance with member/members of the International Group of P & I Clubs;
   
   (3) a publicly traded Insurer with verifiable reserves that fulfill the obligations required under the various International Conventions to which the Republic of the Marshall Islands is a party; or
   
   (4) a non-member Club of the International Group of P & I Clubs P & I Club with verifiable financial reserves that fulfill the obligations required under the various International Conventions to which the Republic of the Marshall Islands is a party.

b. in the case of a pleasure yacht, third party liability and hull and machinery insurance issued by an underwriter in policy form acceptable to the Maritime Administrator; or

c. in the case of a self insurer, the nature, amount and security of the liability reserve.

7.5 The proof of coverage may be sent by mail, email or facsimile to any of the Marshall Islands Maritime and Corporate Administrators, Inc. offices listed in Marine Notice 1-002-1.

7.6 The CLBC shall be issued in the form of the model set out at annex and shall contain the following particulars:

.1 name of ship;

.2 distinctive number or letters;
.3 port of registry;
.4 IMO ship identification number;
.5 name and principal place of business of the registered owner;
.6 name and principal place of business of insurer or other person giving security and, where appropriate, place of business where the insurance or security is established; and
.7 the period of validity of the certificate which shall not be longer than the period of validity of the insurance or other security.

7.7 The CLBC must be issued to each vessel at registration or shortly thereafter setting forth the required security. It must also be renewed annually by the registered owner by 0001 hours UTC on 20th February.

7.8 The CLBC must be carried on board the ship at all times. The Administration will not permit a ship under the Republic’s flag to which the Bunker Convention applies to operate at any time, unless a certificate has been issued.

7.9 Until further amendments are made to the respective conventions, the CLBC may not be combined with the CLC issued under the International Convention on Civil Liability for Oil Pollution Damage, 1992.
CERTIFICATE OF INSURANCE OR OTHER FINANCIAL SECURITY IN RESPECT OF CIVIL LIABILITY FOR BUNKER OIL POLLUTION DAMAGE

Issued in accordance with the provisions of article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001.

<table>
<thead>
<tr>
<th>Name of Vessel</th>
<th>Official Number</th>
<th>IMO Ship Identification Number</th>
<th>Port of Registry</th>
<th>Name and Full Address of the Principal Place of Business of the Registered Owner</th>
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<td>MAJURO</td>
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This is to certify that there is in force in respect to the above-named vessel a policy of insurance or other financial security satisfying the requirements of article 7 of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001.

Type of Security: POLICY OF INSURANCE

Duration and Effective Date of Security:

Name and Address of the Insurer(s) and/or Guarantor(s):

This Certificate is valid until February 20, [year] AND WILL BE CARRIED ON BOARD AT ALL TIMES AND PRESENTED ON DEMAND TO AUTHORITIES WHILE WITHIN THEIR JURISDICTION.

Issued by order of the Office of the Maritime Administrator, Republic of the Marshall Islands

Date

At

By

Republic of the Marshall Islands