

5th January 1998

TO ALL MEMBERS

Dear Sirs,

**UNITED STATES OIL POLLUTION ACT 1990 (OPA 90)
THE COMPREHENSIVE ENVIRONMENTAL RESPONSE
COMPENSATION AND LIABILITY ACT (CERCLA)**

**CERTIFICATES OF FINANCIAL RESPONSIBILITY (COFRs)
BONDING FACILITY**

We are pleased to be able to inform Members about a new bonding facility initiative launched by International Sureties Ltd. (ISL), a U.S. registered bonding Agent, to assist, in the first instance, dry cargo operators to obtain COFRs pursuant to OPA 90 and CERCLA up to USD70 million (77,000GT). However, ISL are also able to offer this bonding facility in a limited way to small tankers, that is to tankers which are of a tonnage that require a COFR not exceeding USD21 million (14,000GT).

This United States Coast Guard approved bonding facility is available at a cost of USD1,000 per vessel (irrespective of tonnage, subject to the maximum COFR cover of USD70 million stated), provided the operator is entered with a Club which is a member of the International Group of P&I Clubs.

The documentary requirements are that operators complete:

- \$ A Surety Bond Guarantee Form (Department of Transport U.S. Coast Guard CG-5586-2) together with a Schedule of vessels to be covered
- \$ A Letter of Indemnity in favour of the Bonding Companies
- \$ Provide a cheque payable to International Sureties Ltd. for the Bond premium (USD1,000 per vessel) and a cheque payable to the United States Coast Guard for the COFR fee (USD80 per vessel) together with the operator's completed USCG Form CG-5585.

P.T.O.

Members who wish to avail themselves of this bonding facility to meet their COFR requirements should obtain the documentation from ISL at the following address:

International Sureties Ltd.,
210 Baronne Street, Suite 1700,
New Orleans,
Louisiana 70112,
U.S.A.

Tel: (504) 581 6404
Fax: (504) 581 1876

The Managers are required to issue two letters, one to the Member and one to ISL themselves and should therefore be kept advised of any application.

Further information can be obtained from International Sureties Ltd.

Yours faithfully,
A. BILBROUGH & CO. LTD.
(Managers)