

1 February 2002

## **TO ALL MEMBERS**

Dear Sirs

### **OIL POLLUTION IN THE UNITED STATES TANKER VOYAGE PREMIUM SURCHARGE SYSTEM - 2002/2003 POLICY YEAR**

Since 1991 the International Group of P&I Clubs has applied a voyage surcharge in premium to tankers carrying persistent oil to or from the United States, in order to protect the International Group's Pooling and Excess Loss Reinsurance arrangements against the distorting effect of the likely increase in pollution costs arising from the United States Oil Pollution Act 1990 ("OPA 1990"), and similar legislation enacted by individual States.

Similar arrangements have applied for subsequent Policy Years, subject to annual variations in the surcharge rates. This additional premium system will continue to apply for the 2002/2003 Policy Year, but with a 20% increase in last year's rates.

The Club's cover for all tankers capable of carrying oil in bulk as cargo will continue to incorporate the following Exclusion Clause:

"Excluding any and all claims in respect of oil pollution arising out of any incident to which the U.S. Oil Pollution Act 1990 is applicable".

The Exclusion Clause will apply unless Members agree before 20 February 2002 to undertake (1) to make quarterly declarations in arrears, at the latest within two months of the end of each quarter shown on the attached declaration forms, and (2) to pay the additional premium required in respect of voyages to or from the USA or to U.S. waters. However, requests from Members in previous years for the lifting of the Exclusion Clause will be treated as applying also to 2002/2003, and such Members need therefore take no action until the first declaration form is due to be returned, unless they wish the Exclusion Clause to be reinstated, in which case they should contact the Managers.

Members should note:

(a) special considerations will continue to apply to Parcel Tankers, which are defined as ships constructed or adapted primarily to carry cargoes of noxious liquid substances in bulk, and capable of carrying at least 10 grades simultaneously, having been issued with an international certificate of fitness for the carriage of dangerous chemicals in bulk;

P.T.O.

(b) as for the last few years, vessels equipped with segregated ballast tanks (SBT's) in accordance with the requirements of Regulation 13 of Annex 1 to MARPOL 73/78 will be surcharged at lower rates;

(c) in all cases, the surcharge rate will be halved in respect of cargoes exclusively discharged at LOOP (Louisiana Offshore Oil Port) or exclusively transferred to another ship at a place approved by the U.S. Coast Guard and in the Exclusive Economic Zone ("EEZ") as defined in OPA 1990.

			<b>Non-SBT Tankers</b>	<b>SBT Tankers</b>	
1.	Tankers of more than 1,000 g.t.		US\$0.102	US\$0.09	per gross ton, per U.S. voyage
2.	Tankers of 1,000 g.t. or less	Either or	US\$102 US\$2,040	US\$90 US\$1,800	per U.S. voyage per annum
3.	Parcel Tankers carrying less than 5,000 m/t of persistent oil as cargo		US\$306	US\$270	per U.S. voyage
4.	Parcel tankers carrying 5,000 to 9,999 m/t of persistent oil as cargo		US\$768	US\$672	per U.S. voyage

The maximum charge or "cap" of 20 voyages in the Policy Year will continue to apply.

Voyage declaration forms for each of the four quarters ending 20 May 2002, 20 August 2002, 20 November 2002 and 20 February 2003 are attached to this Circular. Members should state explicitly on the declaration forms if vessels are equipped with SBT's as defined above, or not so equipped. In the absence of an explicit declaration, it will be assumed that vessels are not equipped with SBT's, and the higher rate of additional premium will apply. Definitions of U.S. voyages and persistent oils are shown on the back of the declaration forms, although the lists are not exhaustive. Members should please contact the Managers if further forms are required.

Yours faithfully  
A BILBROUGH & CO LTD  
(Managers)

**THE LONDON STEAM-SHIP OWNERS' MUTUAL INSURANCE ASSOCIATION LIMITED**  
**U.S. VOYAGE QUARTERLY DECLARATION**

PERIOD 20 FEBRUARY 2002 TO 20 MAY 2002

TO BE RETURNED TO CLUB BY 20 JULY 2002

**N.B.** It will be assumed that vessels are not equipped with SBT's as defined overleaf, unless explicitly declared to be so equipped in the box below.

NOTE	TANKER NAME(S) VOYAGE DETAILS	Equipped with SBT's:		Equipped with SBT's:	
		YES <input type="checkbox"/>	NO <input type="checkbox"/>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
1	Voyage 1 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 2 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 3 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 4 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				

Member's authorised signatory \_\_\_\_\_

**THE LONDON STEAM-SHIP OWNERS' MUTUAL INSURANCE ASSOCIATION LIMITED**  
**U.S. VOYAGE QUARTERLY DECLARATION**

PERIOD 20 MAY 2002 TO 20 AUGUST 2002

TO BE RETURNED TO CLUB BY 20 OCTOBER 2002

**N.B.** It will be assumed that vessels are not equipped with SBT's as defined overleaf, unless explicitly declared to be so equipped in the box below.

NOTE	TANKER NAME(S) VOYAGE DETAILS	Equipped with SBT's:		Equipped with SBT's:	
		YES <input type="checkbox"/>	NO <input type="checkbox"/>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
1	Voyage 1 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 2 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 3 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 4 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				

Member's authorised signatory \_\_\_\_\_

**THE LONDON STEAM-SHIP OWNERS' MUTUAL INSURANCE ASSOCIATION LIMITED**  
**U.S. VOYAGE QUARTERLY DECLARATION**

PERIOD 20 AUGUST 2002 TO 20 NOVEMBER 2002

TO BE RETURNED TO CLUB BY 20 JANUARY 2003

**N.B.** It will be assumed that vessels are not equipped with SBT's as defined overleaf, unless explicitly declared to be so equipped in the box below.

NOTE	TANKER NAME(S) VOYAGE DETAILS	Equipped with SBT's:		Equipped with SBT's:	
		YES <input type="checkbox"/>	NO <input type="checkbox"/>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
1	Voyage 1 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 2 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 3 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 4 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				

Member's authorised signatory \_\_\_\_\_

**THE LONDON STEAM-SHIP OWNERS' MUTUAL INSURANCE ASSOCIATION LIMITED**  
**U.S. VOYAGE QUARTERLY DECLARATION**

PERIOD 20 NOVEMBER 2002 TO 20 FEBRUARY 2003

TO BE RETURNED TO CLUB BY 20 APRIL 2003

**N.B.** It will be assumed that vessels are not equipped with SBT's as defined overleaf, unless explicitly declared to be so equipped in the box below.

NOTE	TANKER NAME(S) VOYAGE DETAILS	Equipped with SBT's:		Equipped with SBT's:	
		YES <input type="checkbox"/>	NO <input type="checkbox"/>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
1	Voyage 1 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 2 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 3 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				
1	Voyage 4 (if no US voyages enter "None")				
2	Date loaded (L) / Discharged (D)				
3	Port/Location (Port name/LOOP/Offshore)				
4	Type of cargo: Persistent (P) / Non-persistent (NP) / Chemical (Chem) / Other (O) If not (P) specify cargo				

Member's authorised signatory \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETION OF U.S. VOYAGE DECLARATIONS

**N.B.** A lower rate of additional premium will apply to tankers equipped with segregated ballast tanks (SBT's) in accordance with the requirements of Regulation 13 of Annex 1 to MARPOL 73/78. Declarations should therefore indicate whether the tanker is equipped with SBT's. **In the absence of an explicit declaration, it will be assumed that the higher rate of additional premium applies.**

### Note

1. A U.S. voyage is any cargo voyage involving loading or discharging cargo at any port or place in the USA or within the EEZ as defined in the OPA 1990. The USA includes District of Columbia, Puerto Rico, Guam, American Samoa, U.S. Virgin Islands and Northern Marianas.
2. Date of first U.S. loading/discharging. Loading or discharging a cargo at more than one U.S. port or place within the U.S. EEZ shall be regarded as a single voyage. Discharging one cargo at a U.S. port or place and loading a new cargo at a U.S. port or place constitutes two voyages.
3. If loading/discharging solely at LOOP or solely ship-to-ship transfer at location approved by USCG, enter "LOOP" or "Offshore" as appropriate.
4. For the purposes of this declaration "non-persistent" hydro-carbon oils shall be defined as follows:-

"Oil which consists of hydro-carbon fractions:-

- a) at least 50% of which, by volume, distills at a temperature of 340°C and
- b) at least 95% of which, by volume, distills at a temperature of 370°C when tested by the ASTM Method D86/78 or any subsequent version thereof."

All other hydro-carbon oils shall be defined as "persistent".

If not carrying persistent oils specify type of cargo.

For guidance only, the following oils shall be considered as non-persistent:-

LNG	LPG	Gasolines
Mineral Spirits	Kerosene	Naphtha
Animal / Vegetable Oils		

The following oils shall be considered as persistent:-

Lub Oil & Lub Oil additives	Mineral Oils	Paraffin Wax
Fuel Oils	Crude Oils	

Gasolines and diesels should be declared as persistent oil, unless they can clearly be proved to fall within the definition for "non-persistent" oil given at the start of this note.

Please note the above lists are not exhaustive.

5. Declarations should indicate:-
  - a) If trading to U.S. ports or within the U.S. EEZ at any time during the year. Enter "U.S. trading" or "no U.S. trading", as appropriate.
  - b) Whether carrying persistent oils at any time during the quarter. Enter "persistent" / "non-persistent" / "chemical" / "other" as appropriate. If not carrying persistent oils specify type of cargo.

Parcel Tankers, as defined in the Association's Circular 5:310, should be stated as such in the first quarter's declaration form.

In respect of tankers of 1,000 g.t. or less, if Members opt to pay a single annual surcharge the forms should be marked "Annual Premium" and individual voyages should not be declared.