10 February 2003

TO ALL MEMBERS

Dear Sirs

OIL POLLUTION IN THE UNITED STATES TANKER VOYAGE ADDITIONAL PREMIUM SYSTEM 2003/4 POLICY YEAR

Special arrangements to cover US OPA 90 pollution liabilities in respect of tankers, which are otherwise excluded under the Rules, will apply again for the 2003/4 policy year.

Members requiring cover must agree, before 20 February 2003, to make quarterly declarations in accordance with the terms of Rule 9.15.1.5.3. Members who in previous years have made declarations and who require cover for the 2003/4 policy year must continue making them.

The additional premium rates are set out overleaf and represent an increase of 40% on the 2002/3 rates. That figure is derived from the increase in cost to the Association of the first US\$1billion of cover under the International Group's excess of loss reinsurance programme.

As in recent 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.

Voyage declaration forms for each of the four quarters ending 20 May 2003, 20 August 2003, 20 November 2003 and 20 February 2004 are available for downloading, together with the instructions for the completion of same, on the Association's website (www.lsso.com) under "Reports and Circulars". Members should state explicitly in 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 US 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)

			Non-SBT US\$	SBT US\$	
1.	Tankers of more than (including parcel tanke	•	\$0.1428	\$0.126	per entered ton per US voyage
	LOOP or Lightening:		\$0.0714	\$0.063	per entered ton per US voyage
2.	Tankers of 1,000 GT or	less: Either or	\$143.00 \$2,856.00	\$126.00 \$2,520.00	per voyage per annum
3.	Parcel tankers carrying less than 5,000 m/t of persistent oil as cargo:		\$428.00	\$378.00	per US voyage
4.	Parcel tankers carrying 5,000 – 9,999 m/t of persistent oil as cargo:		\$1,075.00	\$941.00	per US voyage

PERIOD 20 FEBRUARY 2003 TO 20 MAY 2003 TO BE RETURNED TO CLUB BY 20 JULY 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.

02	TANKER NAME(S)	Faui	nned w	ith SB	 T'e·	Equip	ned wi	ith SBT	
T E	VOYAGE DETAILS	YES	ppea W	NO	، ی	YES	peu W	NO	J.
1	Voyage 1 (if no US voyages enter "None")							<u> L </u>	
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								

PERIOD 20 MAY 2003 TO 20 AUGUST 2003 TO BE RETURNED TO CLUB BY 20 OCTOBER 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.

02	TANKER NAME(S)	Faui	nned w	ith SB	 T'e·	Equip	ned wi	ith SBT	
T E	VOYAGE DETAILS	YES	ppea W	NO	، ی	YES	peu W	NO	J.
1	Voyage 1 (if no US voyages enter "None")							<u> L </u>	
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								

PERIOD 20 AUGUST 2003 TO 20 NOVEMBER 2003 TO BE RETURNED TO CLUB BY 20 JANUARY 2004

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.

02	TANKER NAME(S)	Faui	nned w	ith SB	 T'e·	Equip	ned wi	ith SBT	
T E	VOYAGE DETAILS	YES	ppea W	NO	، ی	YES	peu W	NO	J.
1	Voyage 1 (if no US voyages enter "None")							<u> L </u>	
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								

PERIOD 20 NOVEMBER 2003 TO 20 FEBRUARY 2004 TO BE RETURNED TO CLUB BY 20 APRIL 2004

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.

7 O F	TANKER NAME(S)	Egu	Equipped with SBT's:		Equi	ith SBT's:		
T E	VOYAGE DETAILS	YES		NO		YES		NO
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							

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

- 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, distils at a temperature of 340°C and
 - b) at least 95% of which, by volume, distils 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

Gasoils 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" / "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.