

CIRCULAR

Shipowners Claims Bureau, Inc., Manager
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TO MEMBERS OF THE ASSOCIATION

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Dear Member:

US OIL POLLUTION ACT 1990 (OPA 90): INCREASE IN LIMITS OF LIABILITY AND REQUIREMENTS IN REGARD TO CERTIFICATES OF FINANCIAL RESPONSIBILITY (COFRs)

Increased limits

On July 11, 2006 legislation (being the US Coast Guard and Maritime Transportation Act 2006) came into effect in the United States increasing limits for OPA 90 liabilities. These increased limits take effect immediately in regard to non-tank vessels and, for tank vessels, ninety days after the legislation came into force. Standard P&I cover is not affected by the new limits.

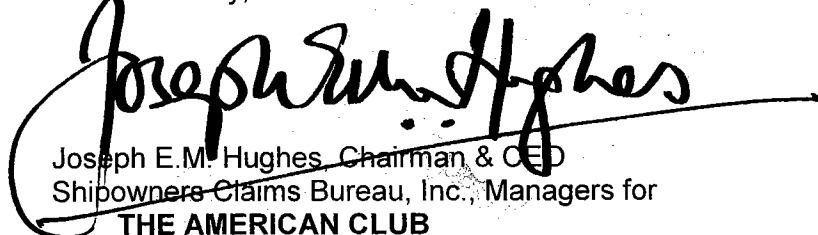
COFR requirements

It is understood that, for the time being, vessels can continue to trade with their current COFRs. Under OPA 90 vessels are required to file with the National Pollution Funds Center evidence of financial responsibility up to the relevant limits of liability prior to entering US waters. The methods by which this could be done were outlined in an Interim Final Rule published on July 1, 1994.

The US Coast Guard (USCG) will publish new regulations stating how owners can comply with the increased limits although it is not known when. While the increased limits for non-tank vessels are already in effect (for tank vessels 90 days after signing into law), the USCG has indicated that vessels can trade with their current certificates. Until the regulations come into force, it will not be possible to take further action. It is understood that COFR providers are in contact with the USCG and are monitoring developments. Members will be notified when there is further news to report.

A schedule of the increased limits is attached. If any Member has any questions in regard to the foregoing, or generally, the Managers will, as usual, be pleased to respond.

Yours faithfully,


Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB



SCHEDULE OF INCREASED LIMITS

Vessel type	“Old” OPA 90 The greater of:	“New” USCG MTA 06 The greater of:
A. Single hull tank vessels (including single hull fitted with double sides only or a double bottom only)	USD 1,200 per gross ton OR	USD 3,000 per gross ton OR
In the case of a single hull tank vessel greater than 3,000 gross tons	USD 10,000,000	USD 22,000,000
In the case of a single hull tank vessel of 3,000 gross tons or less	USD 2,000,000	USD 6,000,000
B. Double hull tank vessels	USD 1,200 per gross ton OR	USD 1,900 per gross ton OR
In the case of a double hull tank vessel greater than 3,000 gross tons	USD 10,000,000	USD 16,000,000
In the case of a double hull tank vessel of 3,000 gross tons or less	USD 2,000,000	USD 4,000,000
C. For any non-tank vessel	USD 600 per gross ton or USD 500,000	USD 950 per gross ton or USD 800,000