



FEBRUARY 9, 2007

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TO MEMBERS OF THE ASSOCIATION

Dear Member:

BLUE CARDS: GAS CARRIERS

The clubs in the International Group are the chief suppliers of the Blue Cards which provide the basis for States to issue certificates in accordance with the International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC).

The Convention requires the owner of a ship registered in a CLC Contracting State and carrying more than 2,000 tons of oil in bulk as cargo to maintain insurance cover in accordance with the requirements of the Convention, which is evidenced by the Blue Card issued by the Club. CLC tankers must carry a State certificate on board attesting the insurance coverage.

It has been reported that some owners who operate gas carriers entered in International Group clubs have requested the issuance of Blue Cards saying that they are required to do so by certain port authorities in order to meet the certification requirements of the CLC. It is understood that some clubs may have complied with these requests.

Technically, no Blue Cards should be needed by, or issued to, owners of gas carriers (whether LNG or LPG) as they do not fall into the definition of a "ship" under CLC 92 (i.e. "*any sea going vessel and seaborne craft of any type whatsoever constructed or adapted for the carriage of oil in bulk as cargo, provided that a ship capable of carrying oil and other cargoes shall be regarded as a ship only when it is actually carrying oil in bulk as cargo and during any voyage following such carriage unless it is proved that it has no residues of such carriage or oil in bulk aboard.*"), because

- LNG vessels are not constructed to carry persistent oil as cargo nor do they actually carry such oil as cargo;
- no new LPG vessels are constructed to carry persistent oil as cargo nor do they actually carry such oil as cargo.


However, some older LPG vessels, being constructed or adapted to carry persistent oil in bulk as cargo, and therefore falling into the definition of a "ship" under CLC, may be requested to carry a CLC certificate, even though they are not actually carrying such oil as cargo. Where this is the case, the owner of such vessel would be entitled to ask for the issuance of a Blue Card.

In all other circumstances in respect of gas carriers, it has now been agreed among Group clubs that the practice of issuing Blue Cards for gas carriers should be discontinued with immediate effect since this does not reflect the clear provisions of the Convention.



Those authorities that have previously requested Blue Cards for gas carriers have been contacted in order to ensure that there be a correct understanding of the certification requirements under the Convention.

Yours faithfully


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