

JANUARY 5, 2001

CIRCULAR NO. 1/01

TO MEMBERS OF THE ASSOCIATION

Dear Member:

VOYAGE SURCHARGES FOR U.S. TRADING TANKERS: 2001 POLICY YEAR

The current system of charging voyage surcharges for tankers trading to the United States will continue for the next policy year. In addition, the same rates as presently apply will also continue for 2001.

As is the case at present, a differential will apply as between those vessels which have segregated ballast tanks (SBT) and those which are not so equipped. In order to qualify for the lower rates applicable to the SBT category of tonnage, a vessel must be equipped with segregated ballast tanks as defined by Regulation 13 of Annex 1 to MARPOL 73/78.

It is hoped that the following table will be of assistance in setting out the 2001 policy year arrangements.

| VESSEL CATEGORY | Non-SBT | SBT | Basis |
|---|----------------|------------|-------------------|
| (i) Tankers of 1,001 gt or more | \$0.085 | \$0.075 | per gt per voyage |
| LOOP/lightening | \$0.0425 | \$0.0375 | per gt per voyage |
| (ii) Tankers of 1,000 gt or less | \$85 | \$75 | per voyage |
| - either | | | |
| - or | \$1,700 | \$1,500 | per annum |
| (iii) Parcel tankers carrying 5,000 or less of persistent oil as cargo | \$255 | \$225 | per voyage |
| (iv) Parcel tankers carrying 5,001 – 10,000 mt of persistent oil as cargo | \$640 | \$560 | per voyage |
| (v) Parcel tankers carrying 10,001 mt or more of persistent oil as cargo | \$0.085 | \$0.075 | per gt per voyage |

The footnote overleaf contains the definitions which apply to the terms used above.

The Managers will be pleased to respond to any questions Members may have in regard to the above, or generally.

Yours faithfully,

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

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Footnote: The following definitions apply to the terms used above.

Parcel Tanker: A ship constructed or adapted primarily to carry cargoes of noxious liquid substances in bulk, and capable of carrying at least ten grades simultaneously, having been issued with an international certificate of fitness for the carriage of dangerous chemicals in bulk.

Segregated ballast tanks: A ship will be deemed to have segregated ballast tanks if it is equipped in accordance with the requirements of regulation 13 of Annex I to MARPOL 73/79.

U.S. Voyage: Any cargo voyage involving loading or discharging cargo at any port of place in the U.S.A. or within the EEZ as defined in OPA 1990. U.S.A. includes District of Columbia, Puerto Rico, Guam, American Samoa, U.S. Virgin Islands and Northern Marianas.

Persistent Oils: All hydro-carbon mineral oils other than those falling within the definition of **non-persistent oils** described below.

Non-Persistent Oils: Oils which consist of hydro-carbon fractions:

- a) at least 50% of which, by volume, distils at a temperature of 340 degrees C, and
- b) at least 95% of which distils at a temperature of 370 degrees C

when tested by the ASTM Method D 86/78 or any subsequent revision thereof.

For Members' guidance, the following oils are **non-persistent**:

- LNG
- LPG
- Gasolines (AVGAS/MOGAS)
- White spirit
- Kerosenes (domestic, tractor, aviation, No. 1 fuel)
- Gasoline blending components (naphthas)