



STEAMSHIP MUTUAL

To the Members

October 2010

Dear Sirs,

**US Vessel Response Plans - Salvage and Marine Firefighting Requirements
Final Rule - 31 December 2008 - Deadline for implementation - 22 February 2011 – update**

Salvage agreements

This circular applies to owners of tank vessels carrying oil calling at US ports.

We refer to Circular No. L.133 of August 2010 concerning the above, which provided a list of salvor contracts/funding agreements which had been reviewed by the International Group.

On 27 September 2010 the US Coast Guard published Navigation and Vessel Inspection Circular **NVIC) No. 2-10** providing guidance for the implementation and enforcement of the requirements under the Final Rule. This NVIC can be found using the following link and instructions for access: www.uscg.mil/vrp

- select "What's new?" and then **NVIC 2-10**

The NVIC provides a summary of the procedural steps necessary for updating owners' existing vessel response plans as well as appendices containing answers to frequently asked questions and a glossary of terms.

We regret that in the previous circular there was an error in Annex 4 which contained a technical comparison of the contracts reviewed and a rate comparison. On page 4 there was an error under "contract" in the first two columns. In addition, T&T Bisso has published some new rates which came into effect on 1 September 2010.

A revised Annex 4 is attached updated and amended where relevant. The amendments are shown in yellow.

There has been a small amendment to the DonjonSmit contract and this has been reissued with a new footer.

The current salvor contracts/funding agreements which have been reviewed by the International Group and found to conform with the Vessel Response Plan salvage guidelines are the following:

L.142

THE STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED
Authorised and Regulated by the United Kingdom Financial Services Authority
(Registered No. 105461 : FSA registration number 202548)

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DonjonSmit – July 2010, Version 1.1 on page 1 and Version 1.0 on subsequent pages
MRA – Dated 2 August 2010
Resolve – Dated 14 June 2010
T&T Bisso (non-US) – 22 April 2010
T&T Bisso (US) – 15 June 2010

All Clubs in the International Group of P&I Clubs have issued similar circulars.

Yours faithfully,

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ASSOCIATION LIMITED

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DONJON-SMIT - July 2010, Version 1.1 on page 1 and Version 1.0 on subsequent pages

(1) Category 1 - vessel adrift

TOWHIRE

SCOPIC rates with 20% uplift, out-of-pocket expenses at cost plus 15%

1.5 times retail price cap included, and 50% standby rate if not used

New York Arbitration

(2) Category 2 - lightly aground

WRECKHIRE

SCOPIC rates with 50% uplift, out-of-pocket expenses at cost plus 15%

1.5 times retail price cap included, and 50% standby rate if not used

New York Arbitration

(3) Category 3 - major casualty

LOF2000 with SCOPIC incorporated

[If Clause invoked] SCOPIC rates and uplift (25%)

1.5 times retail price cap included, and 50% standby rate if not used

English law, Lloyd's arbitration

Owners' right to appoint an owners' representative is included.

Insurance terms are included.

MARINE RESPONSE ALLIANCE - Dated 2 August 2010

In-house tariffs with a range of rates depending on which entity is brought in. The entities are:

- Marine Pollution Control Corp. for Emergency Lightering
- Marine Hazard Response for Firefighting
- Titan Salvage LLC for Marine Salvage Operations with Crowley Maritime Services tug rates

The rates are the various in-house tariffs with no caps and no standby rates.

New York Arbitration

Owners' right to appoint an owners' representative is included.

Insurance terms are included.

RESOLVE - Dated 14 June 2010

LOF2000 with SCOPIC incorporated. London Arbitration.

If SCOPIC rates and out-of-pocket expenses up to USD 750,000 in total, then to be reimbursed at SCOPIC rates.

First 24 hours, 50% uplift

Subsequent days at 25% uplift

1.5 times retail price cap included, and 50% standby rate if not used

Payment terms 15 days

Interest 1.5% per month

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English law and jurisdiction

Owners' right to appoint an owners' representative is included.
Insurance terms are included.

T&T BISSO

Non US version - 22 April 2010

US version -15 June 2010

In-house standard tariff

No cap, no standby rates

Out-of-pocket expenses at cost plus 15%

No salvage

Payment terms 30 days

Interest Bank rate plus 2%

Non US (English law, Arbitration London)

US (US Maritime law/State of Texas, Arbitration Houston, Texas)

Owners' right to appoint an owners' representative is included.
Insurance terms are included.

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Registered No: 3855693 England

All rates are in USD

Rate comparison is based on SCOPIC tariff rate categories. Note that the SCOPIC tariff rates are currently under review.

| | DONJON-SMIT | | | MRA [Marine Response Alliance] | RESOLVE | | T&T BISSO |
|---|----------------------------------|----------------------------------|----------------------------------|--------------------------------|----------------------------------|----------------------------------|-----------------------------|
| | [SCOPIC tariff plus 20 per cent] | [SCOPIC tariff plus 50 per cent] | [SCOPIC tariff plus 25 per cent] | [In-house standard tariffs] | [SCOPIC tariff plus 50 per cent] | [SCOPIC tariff plus 25 per cent] | [In-house standard tariffs] |
| | Cat 1* | Cat 2** | Cat 3*** | | 1st 24 hours | subsequent | |
| personnel | | | | | | | |
| office administration | 1386 | 1732.5 | 1443.75 | 2212 to 2875 | 1732.5 | 1443.75 | 2500 |
| salvage master | 2082 | 2602.5 | 2168.75 | 2100 | 2602.5 | 2168.75 | 2100 |
| naval architect or salvage officer/engineer | 1728 | 2160 | 1800 | 2100 | 2160 | 1800 | 2100 |
| assistant salvage officer/engineer | 1386 | 1732.5 | 1443.75 | 1450 | 1732.5 | 1443.75 | 1800 |
| diving supervisor | 1386 | 1732.5 | 1443.75 | 1800 | 1732.5 | 1443.75 | 1800 |
| HSE qualified diver excluding saturation or mixed gas diver (rate to be agreed) | 1248 | 1560 | 1300 | 1500 | 1560 | 1300 | 1500 |
| salvage foreman | 1038 | 1297.5 | 1081.25 | 1800 | 1297.5 | 1081.25 | 1800 |
| riggers, fitters, equipment operators | 831.6 | 1039.5 | 866.25 | 1260 to 1500 | 1039.5 | 866.25 | 1500 |
| specialist advisors - fire fighters, chemicals, pollution control | 1386 | 1732.5 | 1443.75 | 14062 to 1450 | 1732.5 | 1443.75 | 2500 |
| | | | | | | | |
| tugs and other craft | | | | | | | |
| bhp to 5000 [per bhp] | 3 | 3.75 | 3.125 | SCOPIC rates plus 50% to 65% | 3.75 | 3.125 | |
| bhp 5001 to 12000 [per bhp] | 2.25 | 2.8125 | 2.34375 | | 2.8125 | 2.34375 | |
| bhp 12001 to 20000 [per bhp] | 1.5 | 1.875 | 1.5625 | | 1.875 | 1.5625 | |
| bhp over 20000 [per bhp] | 0.75 | 0.9375 | 0.78125 | | 0.9375 | 0.78125 | |
| | | | | | | | |
| if fi-fi 0.5 add | 750 | 937.5 | 781.25 | | 937.5 | 781.25 | |
| if fi-fi 1.0 add | 1500 | 1875 | 1562.5 | | 1875 | 1562.5 | |
| | | | | | | | |
| if ice class add | 1500 | 1875 | 1562.5 | | 1875 | 1562.5 | |
| | | | | | | | |
| launch etc less than 500 bhp [per bhp] | 4.5 | 5.625 | 4.6875 | | 5.625 | 4.6875 | |
| | | | | | | | |
| generators | | | | | | | |
| up to 50 kW | 82.8 | 103.5 | 86.25 | 115 | 103.5 | 86.25 | 200 |
| 51 to 120 kW | 172.8 | 216 | 180 | 300 | 216 | 180 | 400 |
| 121 to 300 kW | 276 | 345 | 287.5 | 400 | 345 | 287.5 | |
| over 301 kW | 483.6 | 604.5 | 503.75 | 500 | 604.5 | 503.75 | |
| | | | | | | | |
| portable IG systems | | | | | | | |
| 1000 cu.m. per hour | 1656 | 2070 | 1725 | | 2070 | 1725 | |
| 1500 cu.m. per hour | 1932 | 2415 | 2012.5 | | 2415 | 2012.5 | |
| [T&T BISSO 2000 cu.m. per hour] | | | | | | | 5000 |
| | | | | | | | |
| compressors | | | | | | | |
| high pressure | 138 | 172.5 | 143.75 | 225 | 172.5 | 143.75 | 100 |
| 185 cfm | 207.6 | 259.5 | 216.25 | 450 | 259.5 | 216.25 | 200 |
| 600 cfm | 345.6 | 432 | 360 | 800 | 432 | 360 | 450 |
| 1200 cfm | 552 | 690 | 575 | 650 | 690 | 575 | 750 |
| air manifold | 14.4 | 18 | 15 | | 18 | 15 | |
| blower 1500 cu.m. per min | 1173.6 | 1467 | 1222.5 | | 1467 | 1222.5 | |

DONJON-SMIT categories

*Cat 1 drifting, no immediate danger

**Cat 2 Lightly aground, no immediate danger

***Cat 3 major casualty, imminent danger

All rates are in USD

Rate comparison is based on SCOPIC tariff rate categories. Note that the SCOPIC tariff rates are currently under review.

| | DONJON-SMIT | | | MRA [Marine Response Alliance] | RESOLVE | | T&T BISSO |
|--------------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------------------------|----------------------------------|----------------------------------|-----------------------------|
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| | Cat 1* | Cat 2** | Cat 3*** | | 1st 24 hours | subsequent | |
| pumping equipment | | | | | | | |
| air | | | | | | | |
| 2 in | 103.2 | 129 | 107.5 | 95 to 105 | 129 | 107.5 | 125 |
| diesel | | | | | | | |
| 2 in | 69.6 | 87 | 72.5 | 125 to 169 | 87 | 72.5 | |
| 4 in | 124.8 | 156 | 130 | 150 to 241 | 156 | 130 | 200 |
| 6 in | 165.6 | 207 | 172.5 | 430 | 207 | 172.5 | 400 |
| electrical submersible | | | | | | | |
| 2 in | 69.6 | 87 | 72.5 | | 87 | 72.5 | |
| 4 in | 207.6 | 259.5 | 216.25 | | 259.5 | 216.25 | 400 |
| 6 in | 828 | 1035 | 862.5 | 900 | 1035 | 862.5 | 600 |
| hydraulic | | | | | | | |
| 6 in | 828 | 1035 | 862.5 | | 1035 | 862.5 | 1800 to 3500 |
| 8 in | 1380 | 1725 | 1437.5 | | 1725 | 1437.5 | |
| hoses | | | | | | | |
| air | | | | | | | |
| 3/4in per 30m or 120ft | 27.6 | 34.5 | 28.75 | 36 | 34.5 | 28.75 | 10 |
| 2in per 30m or 120ft | 55.2 | 69 | 57.5 | 72 | 69 | 57.5 | 30 |
| layflat | | | | | | | |
| 2in per 6m or 20ft | 14.4 | 18 | 15 | 3 | 18 | 15 | |
| 4in per 6m or 20ft | 20.4 | 25.5 | 21.25 | | 25.5 | 21.25 | 50 |
| 6in per 6m or 20ft | 27.6 | 34.5 | 28.75 | | 34.5 | 28.75 | 50 |
| rigid | | | | | | | |
| 2in per 6m or 20ft | 20.4 | 25.5 | 21.25 | 17 | 25.5 | 21.25 | |
| 4in per 6m or 20ft | 27.6 | 34.5 | 28.75 | 35 | 34.5 | 28.75 | |
| 6in per 6m or 20ft | 34.8 | 43.5 | 36.25 | 45 | 43.5 | 36.25 | |
| 8in per 6m or 20ft | 42 | 52.5 | 43.75 | 29 | 52.5 | 43.75 | |
| fenders | | | | | | | |
| yokohama | | | | | | | |
| 1m x 2m | 103.2 | 129 | 107.5 | | 129 | 107.5 | 250 |
| 2.5m x 5.5m | 207.6 | 259.5 | 216.25 | | 259.5 | 216.25 | |
| 3.5 x 6.5m | 345.6 | 432 | 360 | | 432 | 360 | 550 |
| low pressure inflatable | | | | | | | |
| 3m | 97.2 | 121.5 | 101.25 | | 121.5 | 101.25 | |
| 6m | 97.2 | 121.5 | 101.25 | | 121.5 | 101.25 | |
| 9m | 207.6 | 259.5 | 216.25 | | 259.5 | 216.25 | |
| 12m | 345.6 | 432 | 360 | | 432 | 360 | |
| 16m | 345.6 | 432 | 360 | | 432 | 360 | |
| welding and cutting equipment | | | | | | | |
| bolt gun | 414 | 517.5 | 431.25 | | 517.5 | 431.25 | |
| gas detector | 138 | 172.5 | 143.75 | | 172.5 | 143.75 | 150 |
| hot tap machine | 1380 | 1725 | 1437.5 | 1150 to 1443 | 1725 | 1437.5 | 1225 |
| oxy-acetylene surface cutting | 34.8 | 43.5 | 36.25 | 175 | 43.5 | 36.25 | 50 |
| underwater cutting | 69.6 | 87 | 72.5 | | 87 | 72.5 | 200 |
| underwater welding | 69.6 | 87 | 72.5 | 50 | 87 | 72.5 | 200 |
| 250 amp welder | 207.6 | 259.5 | 216.25 | 200 | 259.5 | 216.25 | 200 |
| 400 amp welder | 276 | 345 | 287.5 | 250 | 345 | 287.5 | 325 |

DONJON-SMIT categories

*Cat 1 drifting, no immediate danger

**Cat 2 Lightly aground, no immediate danger

***Cat 3 major casualty, imminent danger

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| | Cat 1* | Cat 2** | Cat 3*** | | 1st 24 hours | subsequent | |
| pollution control equipment | | | | | | | |
| oil boom 24in per 10m | 42 | 52.5 | 43.75 | 75 | 52.5 | 43.75 | 65 |
| 36in per 10m | 138 | 172.5 | 143.75 | | 172.5 | 143.75 | 115 |
| 48in per 10m | 268.8 | 336 | 280 | 20.6 | 336 | 280 | 262 |
| lighting systems | | | | | | | |
| lighting string per 50ft | 34.8 | 43.5 | 36.25 | 7.5 | 43.5 | 36.25 | 50 |
| light tower | 69.6 | 87 | 72.5 | 175 | 87 | 72.5 | 150 |
| underwater lighting system 1000 watts | 103.2 | 129 | 107.5 | 115 | 129 | 107.5 | |
| winches | | | | | | | |
| up to 20 tonnes including 50m of wire | 276 | 345 | 287.5 | 450 | 345 | 287.5 | |
| storage equipment | | | | | | | |
| 12ft container | 34.8 | 43.5 | 36.25 | | 43.5 | 36.25 | |
| 20ft container | 55.2 | 69 | 57.5 | | 69 | 57.5 | 200 |
| miscellaneous equipment | | | | | | | |
| air bags less than 5 tons lift | 55.2 | 69 | 57.5 | 115 | 69 | 57.5 | 50 |
| airbags 5 to 15 tons lift | 276 | 345 | 287.5 | 250 | 345 | 287.5 | |
| air lift 4in | 138 | 172.5 | 143.75 | 115 | 172.5 | 143.75 | |
| 6in | 276 | 345 | 287.5 | 145 | 345 | 287.5 | |
| 8in | 414 | 517.5 | 431.25 | 175 | 517.5 | 431.25 | |
| air tugger up to 3 tons | 103.2 | 129 | 107.5 | 275 | 129 | 107.5 | 350 |
| ballast/fuel oil storage bins 50,000 litres | 138 | 172.5 | 143.75 | | 172.5 | 143.75 | |
| chain saw | 27.6 | 34.5 | 28.75 | 15 | 34.5 | 28.75 | |
| damage stability computer and software | 345.6 | 432 | 360 | 390 | 432 | 360 | |
| echo sounder portable | 34.8 | 43.5 | 36.25 | | 43.5 | 36.25 | |
| extension ladder | 27.6 | 34.5 | 28.75 | | 34.5 | 28.75 | |
| hydraulic jack up to 120 tons | 103.2 | 129 | 107.5 | | 129 | 107.5 | |
| hydraulic powerpack 75kW | 103.2 | 129 | 107.5 | | 129 | 107.5 | |
| pressure washer water | 345.6 | 432 | 360 | 521 | 432 | 360 | |
| pressure washer steam | 621.6 | 777 | 647.5 | 475 | 777 | 647.5 | |
| rigging package heavy | 552 | 690 | 575 | | 690 | 575 | |
| rigging package light | 276 | 345 | 287.5 | | 345 | 287.5 | |
| rock drill | 69.6 | 87 | 72.5 | 75 | 87 | 72.5 | |
| rock splitter | 552 | 690 | 575 | 475 | 690 | 575 | |
| steel saw | 27.6 | 34.5 | 28.75 | 30 | 34.5 | 28.75 | |
| tirfors up to 5 tons | 14.4 | 18 | 15 | | 18 | 15 | |
| thermal imaging cameras | 345.6 | 432 | 360 | | 432 | 360 | 750 |
| tool package per set | 241.2 | 301.5 | 251.25 | 225 | 301.5 | 251.25 | 350 |
| ventilation package | 27.6 | 34.5 | 28.75 | | 34.5 | 28.75 | |
| VHF radio | 14.4 | 18.0 | 15.0 | 89 to 145 | 18 | 15 | |
| Z boat including outboard up to 14 ft | 276 | 345 | 287.5 | 250 | 345 | 287.5 | |
| Z boat including outboard over 14 ft | 483.6 | 604.5 | 503.75 | 550 | 604.5 | 503.75 | |
| shackles | | | | | | | |
| up to 50 tonnes | 14.4 | 18 | 15 | 25 | 18 | 15 | 25 |
| 51 to 120 tonnes | 27.6 | 34.5 | 28.75 | 35 | 34.5 | 28.75 | 40 |
| 121 to 200 tonnes | 42 | 52.5 | 43.75 | | 52.5 | 43.75 | 60 |
| over 200 tonnes | 69.6 | 87 | 72.5 | 50 | 87 | 72.5 | 80 |

DONJON-SMIT categories

*Cat 1 drifting, no immediate danger

**Cat 2 Lightly aground, no immediate danger

***Cat 3 major casualty, imminent danger

All rates are in USD

Rate comparison is based on SCOPIC tariff rate categories. Note that the SCOPIC tariff rates are currently under review.

| | DONJON-SMIT | | | MRA [Marine Response Alliance] | RESOLVE | | T&T BISSO |
|---|----------------------------------|----------------------------------|----------------------------------|--------------------------------|----------------------------------|----------------------------------|-----------------------------|
| | [SCOPIC tariff plus 20 per cent] | [SCOPIC tariff plus 50 per cent] | [SCOPIC tariff plus 25 per cent] | [In-house standard tariffs] | [SCOPIC tariff plus 50 per cent] | [SCOPIC tariff plus 25 per cent] | [In-house standard tariffs] |
| | Cat 1* | Cat 2** | Cat 3*** | | 1st 24 hours | subsequent | |
| distribution boards | | | | | | | |
| up to 50kW | 82.8 | 103.5 | 86.25 | | 103.5 | 86.25 | |
| 51 to 120kW | 172.8 | 216 | 180 | | 216 | 180 | |
| 121 to 300kW | 276 | 345 | 287.5 | | 345 | 287.5 | |
| over 301kW | 483.6 | 604.5 | 503.75 | | 604.5 | 503.75 | |
| protective clothing | | | | | | | |
| breathing gear | 69.6 | 87 | 72.5 | | 87 | 72.5 | 150 |
| hazardous environment suit | 138 | 172.5 | 143.75 | | 172.5 | 143.75 | 300 |
| diving equipment | | | | | | | |
| decompression chamber 2 man incl compressor | 690 | 862.5 | 718.75 | 300 | 862.5 | 718.75 | 600 |
| decompression chamber 4 man incl compressor | 966 | 1207.5 | 1006.25 | | 1207.5 | 1006.25 | |
| hot water diving assembly | 345.6 | 432 | 360 | 250 | 432 | 360 | 200 |
| underwater magnets | 27.6 | 34.5 | 28.75 | | 34.5 | 28.75 | |
| underwater drill | 27.6 | 34.5 | 28.75 | | 34.5 | 28.75 | |
| shallow water diving spread | 310.8 | 388.5 | 323.75 | 287.5 | 388.5 | 323.75 | 1500 |
| Out of Pocket Expenses at cost plus | 15pct | 15pct | 15pct | 15pct | 25pct | 25pct | 15pct |
| Contract | Towhire | Wreckhire | LOF with SCOPIC | Various | LOF with SCOPIC | LOF with SCOPIC | in-house form |
| Payment terms | | | | | 15 days | 15 days | 30 days |
| Interest | | | | | 1.5pct per month | 1.5pct per month | Bank rate + 2pct |

DONJON-SMIT categories

*Cat 1 drifting, no immediate danger

**Cat 2 Lightly aground, no immediate danger

***Cat 3 major casualty, imminent danger