

**CIRCULATED TO ALL TANKER MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**10 FEBRUARY 2006
PAJ/DW**

HEAVY FUEL OIL AS CARGO

Members will be aware that the International Group of P&I Clubs has been discussing initiatives which are intended to contribute to the industry-wide goal of eliminating sub-standard shipping.

One of the initiatives concerns the minimum scope of information that is included in any Club condition survey, another relates to the survey triggers. The Association's surveys already comply with the minimum scope of information required and the Association has also operated for many years most of the survey triggers now agreed by the International Group. However, there is one new survey trigger that will be required for 2006. The International Group has agreed that all sea-going tankers aged 10 years or more which have carried certain types of heavy fuel oil (HFO) as cargo in the previous 12 months, whether or not it is the intention to carry such cargoes in future, should be surveyed as soon as is practical, unless as at 20 February 2006:

- the ship has undergone and passed an International Group Club condition survey during the previous 12 months; or
- the ship has undergone and passed an IACS Class Special Survey during the previous 6 months; or
- the ship has achieved and maintains an IACS CAP 1 or CAP 2 status.

The types of HFO to which this applies are defined as follows:

"a residual fuel with a kinematic viscosity of 380 centipoise or greater when measured at 50 degrees Celsius by Test Method ISO 3104."

(This definition is intended to exclude intermediate fuel oils or heavy crudes, as well as bitumen or tar.)

The Association will be asking Members to make a declaration at the February 2006 renewal as to which ships in their fleet carried HFO as cargo during the previous 12 months, ie between 20 February 2005 and 20 February 2006. A similar declaration will have to be made annually.

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If a ship continues to carry HFO as cargo over a period of successive years, the Club is not obliged to carry out a survey every year but a survey will need to be held every three years. It is at the Club's discretion whether surveys are undertaken on a more frequent basis.

Declaration forms will be issued to Members with applicable tonnage after 20 February.

PAUL JENNINGS

DEPUTY MANAGING DIRECTOR - North Insurance Management Limited

As Managers on behalf of the North of England P&I Association Limited