

**CIRCULAR REF: 2011/030**

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

**13 OCTOBER 2010  
AJS/PO**

**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 2010/022 of 23 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](http://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 is 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.

## **CIRCULAR**

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North Insurance Management Limited. Registered in England No. 3922841. Registered Office above. Regulated in the UK by the Financial Services Authority

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:

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; US – 15 June 2010

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

ANDREW STICHBURY

MANAGER - North Insurance Management Limited

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

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] Cat 1*	[SCOPIC tariff plus 50 per cent] Cat 2**	[SCOPIC tariff plus 25 per cent] Cat 3***	[In-house standard tariffs]	[SCOPIC tariff plus 50 per cent] 1st 24 hours	[SCOPIC tariff plus 25 per cent] subsequent	[In-house standard tariffs]
<b>personnel</b>							
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
<b>tugs and other craft</b>							
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	
<b>generators</b>							
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	
<b>portable IG systems</b>							
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
<b>compressors</b>							
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

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	DONJON-SMIT			MRA [Marine Response Alliance]	RESOLVE		T&T BISSO
	[SCOPIC tariff plus 20 per cent] Cat 1*	[SCOPIC tariff plus 50 per cent] Cat 2**	[SCOPIC tariff plus 25 per cent] Cat 3***	[In-house standard tariffs]	[SCOPIC tariff plus 50 per cent] 1st 24 hours	[SCOPIC tariff plus 25 per cent] subsequent	[In-house standard tariffs]
<b>pumping equipment</b>							
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	
<b>hoses</b>							
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	
<b>fenders</b>							
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	
<b>welding and cutting equipment</b>							
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

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	DONJON-SMIT			MRA [Marine Response Alliance]	RESOLVE		T&T BISSO
	[SCOPIC tariff plus 20 per cent] Cat 1*	[SCOPIC tariff plus 50 per cent] Cat 2**	[SCOPIC tariff plus 25 per cent] Cat 3***	[In-house standard tariffs]	[SCOPIC tariff plus 50 per cent] 1st 24 hours	[SCOPIC tariff plus 25 per cent] subsequent	[In-house standard tariffs]
<b>pollution control equipment</b>							
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
<b>lighting systems</b>							
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	
<b>winches</b>							
up to 20 tonnes including 50m of wire	276	345	287.5	450	345	287.5	
<b>storage equipment</b>							
12ft container	34.8	43.5	36.25		43.5	36.25	
20ft container	55.2	69	57.5		69	57.5	200
<b>miscellaneous equipment</b>							
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	
<b>shackles</b>							
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

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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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<b>distribution boards</b>							
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	
<b>protective clothing</b>							
breathing gear	69.6	87	72.5		87	72.5	150
hazardous environment suit	138	172.5	143.75		172.5	143.75	300
<b>diving equipment</b>							
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
<b>Out of Pocket Expenses at cost plus</b>	<b>15pct</b>	<b>15pct</b>	<b>15pct</b>	<b>15pct</b>	<b>25pct</b>	<b>25pct</b>	<b>15pct</b>
<b>Contract</b>	<b>Towhire</b>	<b>Wreckhire</b>	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

**ANNEX 4 - IG Rate Comparison**  
**TECHNICAL COMPARISON OF CONTRACT TERMS**

**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

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.