

UPDATE ON CONSUMER PRICE INDEX ADJUSTMENT OF COFR LIMITS

November 23, 2015



To Members,

We have been advised by the National Pollution Funds Centre (NPFC) arm of the United States Coast Guard (USCG) that an increase in liability limits under OPA90 will be in effect as of **December 21st, 2015**.

A brief excerpt from the NPFC's notice is as follows:

“The Coast Guard is issuing a final rule to increase the limits of liability for vessels, deepwater ports, and onshore facilities under the Oil Pollution Act of 1990, as amended (OPA90), to reflect significant increases in the Consumer Price Index (CPI). This final rule also establishes a simplified regulatory procedure for the Coast Guard to make future required periodic CPI increases to these OPA 90 limits of liability. These regulatory inflation increases to the limits of liability are required by OPA 90 and are necessary to preserve the deterrent effect and “polluter pays” principle embodied in OPA 90.”

The important points for SIGCo members to note are;

- The new limits are applicable to the operator immediately as from the implementation date of **December 21st, 2015**.
- SIGCo will take all required steps to ensure that both the new and existing guaranties will comply with the new limit requirements. SIGCo members will not be required to do anything further in this regard with respect to their guaranty.
- The new table of limits is outlined below.

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If the vessel is a	Previous Liability Limit – the greater of	Amended Liability limit – the greater of
Oil cargo tank vessel greater than 3,000 GT with a single hull, double sides or double bottom only.	\$3,200 per GT or \$23,496,000.	\$3,500 per GT or \$25,845,600.
Tank vessel greater than 3,000 GT with a double hull	\$2,000 per GT or \$17,088,000.	\$2,200 per GT or \$18,796,000.
Oil cargo tank vessel less than or equal to 3,000 GT with a single hull, double sides or double bottom only.	\$3,200 per GT or \$6,498,000.	\$3,500 per GT or \$7,048,800.
Tank vessel less than or equal to 3,000 GT with a double hull.	\$2,000 per GT or \$4,272,000.	\$2,200 per GT or \$4,699,200.
Any vessel other than a tank vessel	\$1,000 per GT or \$854,400.	\$1,100 per GT or \$939,800.

If anything remains unclear about the forthcoming COFR limit changes, please do not hesitate to contact us.

Best Regards,

Mark Haydon
Vice President
SIGCo