



STEAMSHIP MUTUAL

To the Members

December 2008

Dear Sirs,

US Environmental Protection Agency (EPA) Vessel General Permit (VGP) requirements

Members are referred to the previous Club circular of December 2008 concerning this matter in which it was explained that, from 19th December 2008, all commercial vessels of 79 feet (24.08 metres) in length or greater with discharges of pollutants incidental to their normal operation, including but not limited to ballast water discharges, into the U.S. three mile territorial sea or inland waters will become subject to the EPA final Vessel General Permit (VGP) requirements and will ultimately need individual permit coverage.

On 18th December 2008, at the request of the involved parties, the U.S. District Court for the Northern District of California issued an order delaying the effective date of vacating the long-standing EPA regulations which exclude certain vessel discharges from the permitting requirements of the Clean Water Act until 6th February 2009. As such, the current exemption (40 C.F.R. § 122.3(a)) will remain in place until that date.

The EPA advises that the effective date of the VGP will still remain as 19th December 2008. However, the EPA will not actually require permit authorisation and owners will not need to comply with the terms of the finalised VGP requirements until 6th February 2009.

EPA may not issue a permit authorising discharges in the waters of a State until that State has granted certification under the Clean Water Act (CWA) or has waived its right to certify. As of the issuance date of the permit, the States of Alaska and Hawaii have not yet granted, denied, or waived certifications pursuant to the CWA. Therefore the permit does not yet provide coverage in these jurisdictions. EPA will announce the availability of coverage under the VGP discharges in these jurisdictions as soon as it receives the appropriate certifications or waivers.

As previously advised, to obtain permit authorisation, the owner or operator of a vessel that is either 300 or more gross tons or has the capacity to hold or discharge more than 8 cubic metres (2113 gallons) of ballast water is required to submit a Notice of Intent (NOI) to receive permit coverage from 19th June, 2009 but no later than 19th September, 2009.

Until 19th September, 2009 these vessels will automatically be authorised upon permit issuance to discharge according to the VGP requirements. For vessels that were delivered to the owner or operator on or before 19th September, 2009 the vessel will receive permit coverage on the date that EPA receives the complete NOI. New vessels that are delivered after 19th September, 2009 will receive permit coverage 30 days after EPA receives the complete NOI.

EPA has now issued the final, though not official, VGP requirements and Members whose vessels will be calling at U.S. ports are strongly recommended to ensure compliance with the requirements found in the finalised EPA VGP. The EPA have advised that, whilst they expect shipowners to be conforming with the standard requirements by 6th February, requirements for inspections, training, record-keeping and reporting are not required to be met until 19th February 2009.

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The final VGP addresses 26 vessel discharge streams by establishing effluent limits, including best management practices (BMPs), to control the discharge of the waste streams and constituents found in those waste streams. For each discharge type, among other things, the final permit establishes effluent limits pertaining to the constituents found in the effluent, including BMPs designed to decrease the amount of constituents entering the waste stream.

The final VGP differs from the proposed permit in several ways. These changes include modifying the grey water discharge requirements for existing medium cruise ships unable to voyage more than 1 nautical mile (nm) from shore, adding requirements for the discharge of pool and spa water from cruise ships, prohibiting the discharge of tetrachloroethylene degreasers, expanding the prohibition against discharge of tributyltin to a prohibition against discharge of any organotin compounds, and the addition of whole effluent toxicity testing to the requirements for vessels employing a ballast water treatment system which discharge certain biocides. Other changes made include combining three discharge categories into a new category that includes all oil to sea interfaces, modifying discharges and limits for large ferries, and additional clarifications added to several cruise ship discharges.

The VGP also requires routine self-inspection and monitoring of all areas of the vessel that the permit addresses. The routine self-inspection must be documented in the ship's logbook. Analytical monitoring is required for certain types of vessels. The VGP also requires comprehensive annual vessel inspections, to ensure even the hard-to-reach areas of the vessel are inspected for permit compliance.

The permit imposes additional requirements for 8 specific types of vessels which have unique characteristics resulting in discharges not shared by other types of vessels. These vessel types are medium cruise ships, large cruise ships, large ferries, barges, oil or petroleum tankers, research vessels, rescue boats, and vessels employing experimental ballast water treatment systems.

Further information on the VGP requirements, including the final VGP can be accessed at: http://cfpub.epa.gov/npdes/home.cfm?program_id=350

Yours faithfully,

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