

OCIMF

Oil Companies International Marine Forum

Annual Report 2004



OCIMF's Mission

To be the foremost authority on the safe and environmentally responsible operation of oil tankers and terminals, promoting continuous improvement in standards of design and operation.

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Objectives

1 Standards: To identify safety and environmental issues facing the oil tanker and terminal industries, and develop and publish recommended standards that will serve as technical benchmarks.

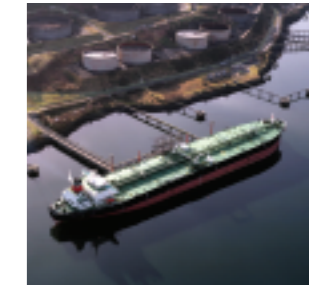
2 Regulatory: To contribute to the development of international conventions and regulations that enhance the safe construction and operation of oil tankers and terminals, working with the IMO and other regulatory bodies, both regional and national.

3 Enforcement: To encourage flag states, port states and classification societies in their enforcement of international conventions and regulations.

4 Promulgation: To facilitate access by charterers and authorities to data on tankers relating to safety and pollution prevention, through the Ship Inspection Report Programme (SIRE).

5 Consultation: To promote ratification and implementation of international compensation conventions.

6 Promotion: To actively promote OCIMF's role in the development of safety and environmental guidelines and recommendations, harnessing the skills and experience of OCIMF members and holding industry events addressing the issues.





Chairman's statement

This year OCIMF has continued to be both a persuasive force for change in the industry and an authority on the safe and environmentally responsible operation of oil tankers and terminals. Across the world our members have helped shape regional and international legislation on maritime safety and marine environmental issues. I am always impressed by their hard work and commitment – and this year has been no exception.

The International Oil Pollution Compensation (IOPC) Fund and Civil Liability Convention (CLC) reform continue to be areas of major challenge to our industry. Our ultimate aim is to see shipowners take a greater responsibility for compensation payments and recognise their absolute responsibility to provide a safe and well run ship. We believe the proposed Supplementary Fund can only be an interim measure and we are confident that a permanent, lasting solution is available. Although it is too early to predict what form that change will take, we are optimistic that change will happen.

OCIMF's contributions to our industry's safety and technical standards are the result of dedicated work by our many committees and forums, where we greatly appreciate the continued support of our members. They have been central in bringing about international change in areas that are an essential part of our remit. They also lend weight to our international authority and credibility. Meanwhile, we continue to develop the Ship Inspection Report Programme (SIRE), already the reference standard for impartial ship inspection.

During the year I was pleased on behalf of OCIMF to present Bill O'Neil, the outgoing Secretary-General of the International Maritime Organization (IMO), with a small token of thanks and

to welcome Efthimios Mitropoulos, his successor. We look forward to continuing to work closely with IMO by voicing the views of our members on safety and environmental issues.

In May 2003 I was delighted to welcome Paul Markides as the new Director of OCIMF. A Master Mariner, Paul was most recently Marine Manager for Mobil Oil Australia, based in Melbourne. His expertise and energy will be crucial as we step up to the challenges facing our industry. On behalf of OCIMF, I would like to express my appreciation and thanks to John Hughes, Director of OCIMF since April 1999, for his significant contribution to the Secretariat and, in particular, his support for the Executive Committee.

OCIMF has already made a significant contribution to maritime safety, the protection of the marine environment and the technical standards that are so important in the operation of tankers and oil terminals. We can draw confidence from our achievements as we work to build on the respect we enjoy internationally.

Jan M. Kopernicki
Chairman



Director's review

When I joined OCIMF as Director in May 2003 I was immediately impressed by the organisation's momentum and the amount achieved by a small, hard-working core team. OCIMF is a successful and very effective voice of the oil industry on marine safety and quality matters – we respond and contribute constructively to legislative proposals affecting these areas. We also have core technical and safety functions, publishing guidelines that are in many cases adopted by the industry as best practice.

There are currently a number of key areas to our work. We are making constructive input into the International Oil Pollution Compensation (IOPC) Fund and Civil Liability Convention (CLC) reform, where gaining consensus from governments around the world is key. We have been pleased to contribute to the consultation process on draft European Union (EU) legislation relevant to our industry. In September 2003, we created a new role within OCIMF, with Martin Kelly joining us as Legal Adviser to help us respond to the large volume of draft legislation currently on the table. This includes the proposed introduction of criminal sanctions for pollution offences – an area where we are actively lobbying.

During the course of the year we continued to represent our members in key IMO committees, in particular the Marine Environment Protection Committee (MEPC) and the Maritime Safety Committee (MSC). MEPC met in December 2003 to agree an accelerated phasing out of single-hull tankers. We were part of an expert working group under the direction of IMO to study the effects of this move and were able to make a significant contribution in this area.

A member of the OCIMF secretariat attends virtually every IMO meeting. That is in itself a major responsibility for OCIMF and, on top of the day-to-day operation of the organisation, is a testament to the great teamwork and effective communication here.

We continue to revise our technical standards and procedures. The latest edition of our Ship to Ship Transfer Guide (Petroleum) has received serious attention from governments. Work with our co-authors (ICS and IAPH) on the fifth edition of ISGOTT, the International Safety Guide for Oil Tankers and Terminals, is well under way and the publication is eagerly awaited by the industry. Already an effective inspection system for large ships, our Ship Inspection Report Programme (SIRE) is currently being enhanced with a small vessels and barges database.

We have achieved much and our ongoing challenge is to meet our members' needs now and into the future, providing powerful advocacy and authoritative technical comment. I am confident that we have the expertise, international network and reputation to do that successfully.

Paul B. Markides
Director

Secretariat



Paul Markides
Director



Andy Dogherty
Senior Adviser



Martin Kelly
Legal Adviser



Andy Alderson
Technical Adviser



Mark Fortnum
Technical Adviser



Jane Fairweather
Executive Secretary



Pauline Gilbert
Accountant



David Savage
SIRE Training &
Development Manager



Geoffrey Snow
SIRE Manager



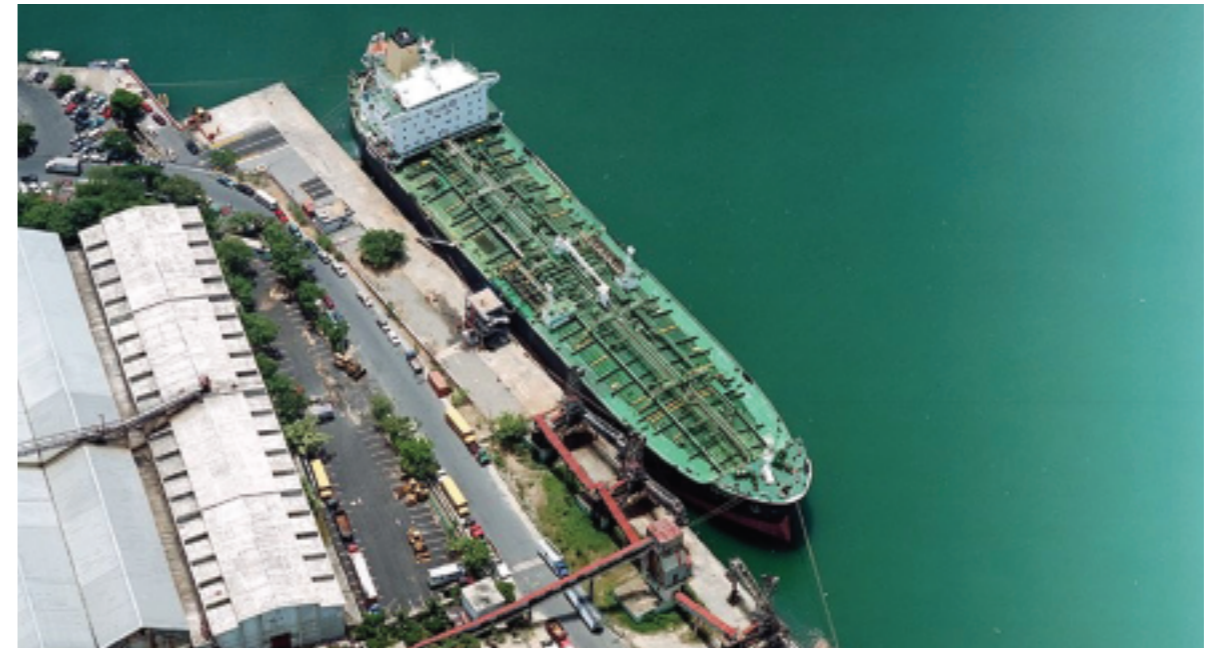
Ian Waller
SIRE Inspector
Accreditation Administrator



Katie Window
SIRE Administrator



Rebecca Harrison
Administrative Assistant



Members

Abu Dhabi Company for Onshore Oil Operations (ADCO)

Abu Dhabi Marine Operating Company (ADMA OPCO)

Administracion Nacional de Combustibles Alcohol y Portland (ANCAP)

Amerada Hess Corporation

Bakri International Energy Company Limited

BG LNG Services LLC

BHP Billiton Limited

BP Shipping

Cargill Ocean Transportation

ChevronTexaco Shipping LLC

Compania Espanola de Petroleos S.A. (CEPSA)

ConocoPhillips

El Paso Corporation

Enel Trade FTL

Eni S.p.A.

Fortum Oil OY

Indian Oil Corporation

International Marine Transportation Limited

KOCH Petroleum Group LP

Kuwait Oil Company (KOC)

Louis Dreyfus Energy Holdings Limited

LUKOIL Oil Company

Marathon Ashland Petroleum LLC

Marquard & Bahls AG

National Iranian Tanker Company

Norske Hydro A.S.

OMV A.G.

PDV Marina S.A.

Petro-Canada

Petroleo Brasileiro S.A.(PETROBRAS)

Petroleos de Portugal S.A.(PETROGAL)

Petroleos Mexicanos (PEMEX)

Petroleum Industry Marine Association of Japan (PIMA)

Idemitsu Kosan Company Limited

Nippon Petroleum Refining Co Ltd

Showa Shell Sekiyu KK

Petronas Sungai Udang Port Sdn Bhd

Preem Petroleum A.B.

Qatar General Petroleum Corporation

Reliance Industries Limited

Repsol YPF Trading Y Transporte S.A.

SARAS S.p.A.

Saudi Arabian Oil Company (Saudi Aramco)

Shell International Trading and Shipping Company Limited

Statoil ASA

Talisman Energy UK Limited

TotalFinaElf

Valero Marketing & Supply Co

Brief history

The grounding of the *Torrey Canyon* in 1967 increased public awareness of marine pollution by oil. By the early 1970s with environmental concerns at high levels, new anti-pollution initiatives were starting to emerge nationally, regionally and internationally.

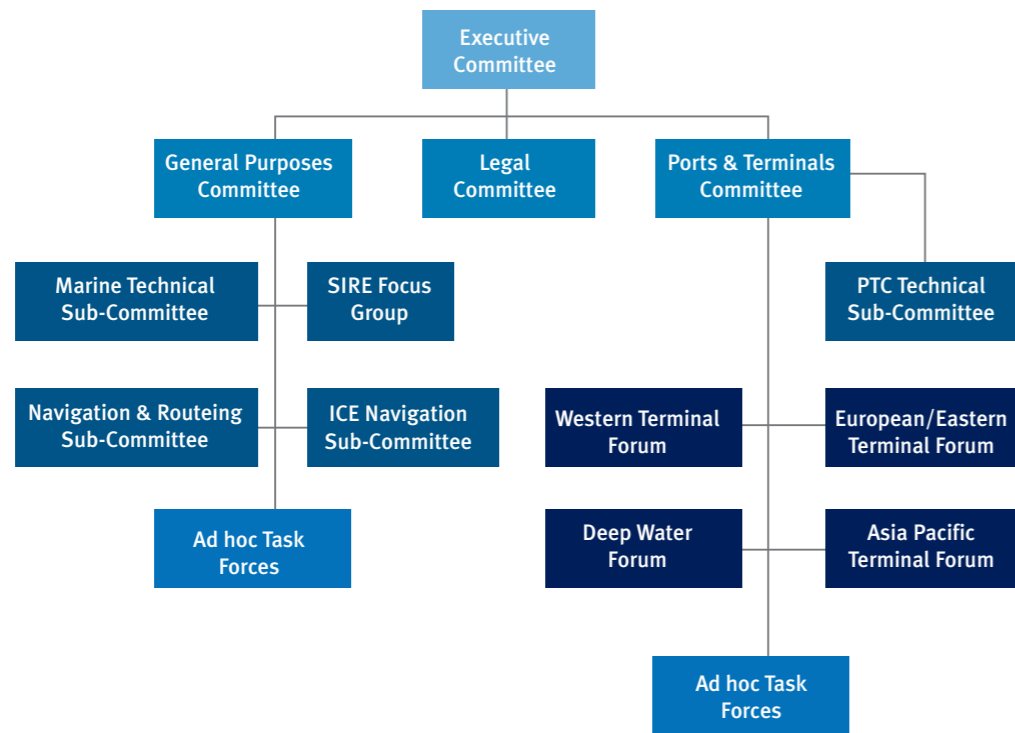
There was at that time an uncoordinated approach within the oil shipping industry, with decisions being taken in a number of international forums without any input from those who would be most affected by those decisions. It was clear that something needed to be done to ensure that the oil industry could play its part by making its expertise available and its views known to governmental and intergovernmental bodies.

The Oil Companies International Marine Forum was formed at a meeting in London in April 1970, was granted consultative status at IMO in 1977 and continues to present oil industry views at IMO meetings.

The role of OCIMF has broadened over the intervening period. Most recently the organisation has contributed to the EU discussion on tanker safety, the draft EU Directive on Environmental Liability and provided support to the EU and IMO debate on the accelerated phasing out of single-hull tankers and the carriage of heavy grades of oil. The SIRE ship inspection system is now the industry standard for vessel reports. OCIMF's Committee structure has adapted to reflect the worldwide distribution of member companies, enabling it to assist with a wide variety of regional and international issues. The organisation has contributed to the international debate at the IOPC Committee on compensation levels, and promoted the importance of increasing the liability of the ship owner to improve safety. Through all these evolutionary changes the over-riding goal has remained – to improve the safe and environmentally responsible operation of oil tankers and terminals.



Committees



Executive Committee

The 50th Executive Committee Meeting took place on 20 May 2003 at which Paul Markides was formally appointed as Director following the retirement of John Hughes.

The Committee approved the new position of Legal Adviser within the Secretariat to assist in OCIMF's advocacy activities in Brussels and with the management of international legal issues. Martin Kelly was subsequently appointed to this position and took up his post during September.

OCIMF's 51st Executive Committee Meeting and 25th Annual General Meeting were held in Singapore on 2 December 2003, where the chairman, Jan Kopernicki (Shell), and vice chairmen Mike Carthew (ChevronTexaco) and Will Jenkins (ExxonMobil) were re-elected for a further 12 months. The Executive Committee confirmed the re-election of John Dudley (Koch) as chairman of the General Purposes Committee and



OCIMF's 51st Executive Committee meeting and AGM were held in Singapore in December 2003.

elected Phil Davies (ChevronTexaco) as vice chairman. Nathalie Soisson (Total) was re-elected as chairwoman of the Legal Committee with Harry Allan (Shell) as vice chairman. Peter Gill (Shell) was elected chairman of the Ports and Terminals Committee with Fadhel Jawhar (Kuwait Oil) as vice chairman.

The Executive Committee discussed a wide range of topics including the following key issues:

- Revision of CLC and Fund
- SIRE management and development
- ISGOTT revision
- Forthcoming European legislation
- Owner Assessment Guidelines
- Barging and Terminal Standards.



OCIMF's chairman Jan Kopernicki (centre) and vice chairmen Will Jenkins (left) and Mike Carthew were re-elected for a further 12 months at the Executive Committee Meeting.

Legal Committee

The Legal Committee is composed of 10 in-house lawyers from various OCIMF members. In addition, in September 2003, OCIMF appointed a Legal Adviser, Martin Kelly, to assist with its legal matters on a day-to-day basis, but particularly in relation to IMO Legal Committee, IOPC Funds and EU matters. Martin is seconded from ExxonMobil's UK Law Department for a two to three year period.

The Legal Committee is responsible for reviewing and providing legal advice in relation to OCIMF's activities. It also recommends positions that OCIMF should adopt on relevant issues that are before not only IMO but also the European Union and national governments.

It is important to note that neither OCIMF nor any of its committees are involved in any way with the commercial activities of the membership.

In the review period, the Legal Committee met for their 39th and 40th meetings in May and November 2003. Items on the agenda included:

- A review of the draft revised SIRE Composite Guidelines
- A review of the Barging and Small Vessels Database Guidelines
- The following OCIMF publications were reviewed
 - [Health, Safety and Environment at Newbuilding and Repair Shipyards](#)



- [Marine Terminal Baseline Criteria and Assessment Questionnaire](#)
- [Ship to Ship Transfer Guide \(Petroleum\)](#)
- [Draft edition of ISGOTT \(International Safety Guide for Oil Tankers and Terminals\)](#)
- [Guidance for Oil Terminal Operators on the IMO International Ship and Port Facility Security \(ISPS\) Code](#)
- [Briefing Paper for OCIMF Chartering and Vetting Groups for the Use of Large Tankers in Ice \(Baltic\)](#)
- [Guide to the International Oil Pollution Compensation Regime.](#)

The Committee also discussed and commented on OCIMF's position paper for the IOPC Funds working group reviewing the international liability and compensation regime for oil pollution damage.

At the meetings the Committee was updated and provided its views on the latest developments in:

- IMO Legal Committee
- IMO Diplomatic Conference for the creation of a Supplementary Fund
- IOPC Funds
- The European Union

Other issues discussed were:

- Whether there should be a contract between OCIMF and its members
- Indemnity insurance for OCIMF advisers

- Whether there were any legal hurdles to the Ports and Terminals Committee beginning work on a Ports Information Database
- Disclaimers in OCIMF publications.

Finally, the Committee agreed to put forward to the Executive Committee (ExCom) that Harry Allan (Shell) be appointed as Vice-Chairman of the Legal Committee. This was confirmed at the subsequent ExCom meeting.

IMO Legal Committee

Within the International Maritime Organization (IMO) Legal Committee, the current main issues being dealt with are:

- Draft wreck removal convention
- Review of the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation, 1988, and its Protocol of 1988 relating to Fixed Platforms Located on the Continental Shelf (SUA Convention)
- Places of refuge
- Proposed West European Particularly Sensitive Sea Area (WE PSSA)
- Implementation of the HNS Convention
- Crimes committed on vessels.

Should any OCIMF members require any further information on the above issues please contact Martin Kelly at OCIMF (see back cover for details).

General Purposes Committee

The 56th General Purposes Committee was held in California on 2 April 2003, and the 57th General Purposes Committee in Kyoto, Japan, on 24 September 2003.

High on the agenda at both meetings was the ongoing development of the SIRE System, which is being expanded to include a Small Vessels and Barges Database. A steering group set up by the Committee reviewed and approved this significant project with a planned delivery of April 2004. The meetings also discussed the development of a tool to enable vessel operators to assess themselves against defined quality standards. The output from these self-assessments should further enhance the already robust vetting systems used by OCIMF members for vessel selection.

Other items discussed by the GPC included navigation in the Turkish Straits and navigation in ice, both of which are of significant interest to members. Through the GPC, a sub-committee on Navigation in Ice produced an information paper providing advice and guidelines for operators of vessels navigating in ice conditions.

Other items discussed by the GPC were:

- Advice on maintaining a continuous navigational watch at anchor
- Application of Marpol Annex 1 to FPSOs and FSUs
- Amendments to Traffic Separation Schemes
- Implementation of the HNS Convention
- Ballast water management
- European legislation
- IOPC Funds
- Navigation in the Magellan Straits
- OCIMF Publications.

Ports & Terminals Committee

Chairman: Jim Marcello, ExxonMobil (PTC 58)
Peter Gill, Shell (PTC 59)

Meetings: PTC 58 – Geneva, Switzerland
2-3 April 2003
Hosts – Total.

PTC 59 – London, UK
4-5 November 2003
Hosts – Shell.

During this year the Ports & Terminals Committee saw a change at the helm as long-standing member (and chairman of the last six meetings) Jim Marcello (ExxonMobil) stood down at PTC 59. Jim's legacy will live with OCIMF for many years and incoming chairman Peter Gill (Shell) acknowledged as much in noting that Jim had provided the PTC with not just a high level of expertise but excellent leadership and a tough act to follow.

The PTC membership continue to focus their attention towards tanker and terminal operations interface issues either passed to them from the members direct, or via the Sub-Committees that report to it: Offshore Terminal Forum (OTF), ex Deep Water Forum (DWF), European/Eastern Terminal Forum (EETF), Asia Pacific Terminal Forum (APTF) and Western Terminal Forum (WTF).

The working of these issues was predominantly undertaken by working groups but was dominated by the inter-industry (OCIMF/ICS/IAPH) working group undertaking a revision of the International Safety Guide for Oil Tankers and Terminals (ISGOTT). This significant undertaking has demanded a lot of members' time and effort during the year to meet the proposed publication date coinciding with MSC in 2004.

There were also active working groups preparing guidance on ISPS Code Implementation and Marine Terminals, SPM Mooring Equipment, Jetty Top Sides and Maintenance, Marine Terminal Baseline Safety Criteria and Assessment, Marine Cargo Transfer Hoses, and Ship to Ship Transfer.

Additionally, during 2003 the PTC considered other activities in the work programme including Berth Operators Training, Marine Terminal Manning, Ship Measurement (DWT v Displacement), Double Hulls, and Alternative Materials for Emergency Towing-Off Pennants.

It is anticipated that the 2004 forward work plan will concentrate on the need to rationalise, update and align the ever increasing range of Ports & Terminals publications and guidance.



European/Eastern Terminal Forum

Chairman: Rob West, ConocoPhillips

43rd Meeting

7-8 January 2003, Abu Dhabi

44th Meeting

10-11 June 2003, Bantry Bay, Ireland

45th Meeting

2-3 December 2003, Bahrain

Topics discussed included:

- Ship and crew quality issues
- Maritime security and ISPS Code
- Results of hose and hawser survey
- Material Safety Data Sheets
- Subsea hose inspections
- OCIMF publications and activities.

Western Terminal Forum

Chairman: Jim Marcello, ExxonMobil

38th Meeting

7th-8th May 2003, Long Beach, USA

At WTF 38, Jim Marcello stepped down after many years as chairman. A new chairman has yet to be appointed

Topics discussed included:

- Maritime security and ISPS Code
- Sea-going barges
- Pipeline integrity
- SBM load monitoring installations.





6th Asia Pacific Terminal Forum

The 6th meeting of the Asia Pacific Terminal Forum (pictured below) was held on 3 September 2003 in Singapore, under the chairmanship of BP's Andrew Cassels, kindly hosted by Shell. This was attended by 25 delegates representing 10 different companies.

The agenda for both days was full and promoted extensive discussions on a wide range of subjects. These included:

- Promotion of membership from companies in the Asia Pacific region
- Sections of ISGOTT Draft Edition 5 were reviewed to assess the extent to which these addressed concerns previously raised at the Forum
- Guide to Malacca and Singapore Straits Transits
- Singapore Straits amendment to Traffic Separation Scheme (TSS) for an anchorage
- Markings for discontinuous hoses. These were thought to be insufficient and often difficult to identify
- Guidance on minimum Under Keel Clearance. This was passed onto the senior PTC
- It was felt that the various OCIMF SPM guidance books should be



incorporated into a single publication, once work on revising SPM equipment had been completed

- Various issues surrounding SIRE were raised at the Open Forum and these have been referred back to Training Manager David Savage
- Feedback given on latest OCIMF publications, task forces and IMO proceedings.

The next meeting is scheduled to be held in June in Malaysia and hosted by Petronas.

33rd meeting of the DWF

The 33rd meeting of the Deep Water Forum was held in Pau, France, on 22-23 October 2003 and was hosted by TotalFinaElf.

Nick Howard of IMT stood in as Chairman for Tony Fantauzzi, who was unable to attend.

The Forum welcomed two new companies to the meeting – Petrobras and Prosafe.

Included in an extensive agenda were:

- A change of name to Offshore Terminal Forum was agreed as better reflecting the activities of the Forum
- The issue of MSDS for Annex 1 cargoes from FPSOs
- A report on the progress of the Competency Assurance working groups
- The Joint Industry Project: MARIN Offloading Operability
- Weakest links in offshore moorings.

The next meeting is scheduled for 16-17 March 2004, to be hosted by Prosafe, in Houston.



Marine Technical Sub-Committee

Chairman: John Duff, BP
Archie Churcher, ConocoPhillips

8th Meeting

18-19 August 2003, San Diego

The 8th meeting of the sub-committee was the last to be chaired by John Duff prior to his retirement. Archie Churcher takes over at the next meeting.

Topics discussed included:

- Shipyard safety
- Electric tanker design and high voltage systems
- Permanent means of access
- Ship recycling
- Lifeboat arrangements
- Ballast water exchange
- Engineroom lifting equipment.

This year also saw the publication of the OCIMF guide for health and safety in shipyards and factory acceptance tests.

With current developments in the International Maritime Organization on moving towards goal-based standards, a major topic on the MTSC agenda is its role in these future developments to enhance maritime safety and protect the marine environment.

Navigation & Routing Sub-Committee

Met on 12 September 2003 in London under the chairmanship of BP's Oliver Pointon.

Attendees were: Mike Tew (Chevron Texaco), Phil Truscott (IMT), Brian Course (Vela), Gary Hallett (BP), Syed Abidi (Shell) and Mark Fortnum (OCIMF).

Subjects under discussion included revision of the ICS/OCIMF Guide to Malacca Straits Transit; proposed amendments to the Traffic Separation Scheme in the Singapore Straits for a new anchorage area; the progress of the Bosphorus Working Group; and a review of navigational incidents.

Ice Navigation Sub-Committee

The Ice Navigation Sub-Committee produced a "Briefing Paper for OCIMF Member Chartering and Vetting Groups on the use of Large Tankers in Ice (Baltic)".

This document is available for members to download free via the OCIMF website and was produced by the working group under the chairmanship of IMT's Bob Frankland.

The group consisted of the following members: Gary Hallett (BP), Herbie Battye (Shell), Valery Kravchenko (Lukoil), Benoit Grovel (TotalFinaElf), Markus Karjalainen (Fortum), and Mark Fortnum (OCIMF).

Representatives from Statoil and ConocoPhillips have also joined the group and work towards extending the scope of the paper – for a new OCIMF publication – is set to continue.



EU update

Post Erika and Prestige the European Union has continued with a raft of legislative proposals aimed at improving the safety of tankers and preventing pollution in EU waters.

Regulation (EC) 417/2002 on the phasing in of double-hull tankers, introduced after the Erika incident, was amended following the Prestige sinking. The amending Regulation ((EC) 1726/2003) provided for a more aggressive time schedule for the phasing in of double-hull tankers. It entered into force on 21 October 2003 and ensures that Category 1 tankers do not operate beyond 23 years and 2005, Category 2 tankers beyond 23 years and 2010 and Category 3 beyond 28 years.

There is also a ban on heavy grades of oil in single-hull tankers for vessels 5,000 tons dwt or above, from entering or leaving ports or offshore terminals or anchoring in areas under the jurisdiction of an EU State. Those vessels less than 5,000 tons dwt must comply by the date of anniversary of build in 2008.

At OCIMF's request the European Commission has clarified some uncertainties in the definition of fuel oil within the Regulation. They state that the purpose of the Regulation is to include all oils meeting the gravity or viscosity limits in the Regulation irrespective of whether or not they are used for heating. The purpose is, therefore, to include oils such as lube oils, cat feed and other feedstocks which meet the density or viscosity requirements.

The draft Directive on Environmental Liability,

with regard to the prevention and remedying of environmental damage, is currently in the "conciliation" stage between the European Council (i.e. EU states' representatives) and the European Parliament. The draft adopts the "polluter pays" principle and provides a common basis across all EU states for restoring damaged sites and remediation measures.

The Directive, in its current draft, does not apply to damage covered under CLC, Fund, HNS and Bunkers Convention. However, after 10 years the EU will conduct a review of the applicability and effectiveness of the international conventions to decide whether the Directive needs to be extended to cover these areas. At the instigation of OCIMF, an amendment to the draft Directive has been adopted by the European Parliament. This amendment calls on the review process to take into account the review, by IOPC Funds, of the international liability and compensation regime for oil pollution damage. The amendment is intended as a mechanism to push for change and review of the regime at IMO level.

Criminalisation of ship-source pollution is also on the agenda in Europe. The draft Directive on Ship-Source Pollution and on the Introduction of Sanctions, including Criminal Sanctions for Pollution Offences, has had its first reading in the European Parliament and is currently with the European Transport Council (i.e. the EU states' representatives) for consideration. The draft makes it a criminal offence to participate in or instigate the illegal discharge of polluting

substances, when committed intentionally or by gross negligence. In its original form, the draft defined an "illegal discharge" as (i) a discharge in violation of MARPOL 73/78 (i.e. a deliberate operational discharge) or (ii) discharges resulting from damage to a ship or its equipment (i.e. accidental discharges). However, following the first reading in the European Parliament, accidental discharges have been removed from the definition of illegal discharges.

The draft is expected to have a difficult ride in the European Transport Council as many states believe that criminal issues are not within the remit of the European Community and should be dealt with at the state level. The draft Directive also has a draft Framework Decision to complement it, which sets out agreed levels of punishment/fines. It proposes fines of 1-10% of annual turnover for less serious cases and 10-20% of annual turnover for more serious cases.

The EU has also produced a draft Directive regarding the Sulphur Content of Marine Fuel and a draft Regulation to enhance Ship and Port Facility Security. The latter is designed to harmonise and implement the IMO ISPS Code within EU states.

Finally, OCIMF was invited to take part in the investigation into the Prestige incident. OCIMF chairman Jan Kopernicki made a presentation on issues relating to prevention of pollution and safety at sea followed by a Q&A session before a committee of European MPs.



IOPC funds

During the review period, OCIMF attended the IOPC Fund meetings in February, May and October 2003.

Much of the focus at the February meeting was on the Prestige incident and on the working group dealing with the review of the liability and compensation regime for oil pollution damage. The working group was set up in April 2000 to consider the need to improve the 1992 Civil Liability Convention (CLC) and the 1992 Fund Convention (1992 Fund) in order to ensure that the international compensation system continues to meet the needs of society. The working group focused its discussions on shipowners' liability and related issues. Other items discussed were the uniform application of the Conventions, fixed costs, alternative dispute settlement procedures, the definition of "ship" and the non-submission of oil reports.

The working group also instructed the IOPC Fund Secretariat to carry out a study on the costs of past oil spills with a view to determining the extent to which the tanker industry and the oil industry have shared those costs and will continue to do so in the future.

In May 2003, a diplomatic conference was held under the auspices of the IMO to agree a Protocol for a supplementary "third tier" fund in addition to the IOPC Fund. The Supplementary Fund Protocol was agreed and provided that the Fund would be an option only for those states party to the 1992 Fund Convention. It will be funded entirely by oil receivers in those states which become party

and will provide an additional layer of compensation up to 750 million SDRs (approx US\$ 1.1 billion). This figure is inclusive of any amounts paid by the shipowner under the 1992 CLC and the 1992 Fund.

The Supplementary Fund will enter into force three months after it has been ratified by at least eight states which have received a combined total of at least 450 million tons of contributing oil in a calendar year. States within the European Union have been given a target date for ratification of June 2004. Assuming that this target date and other requirements will be met, the Protocol will then enter into force three months later.

Supplementary Fund compensation will be payable only for incidents which occur after the Protocol has entered into force.

At the IOPC Funds meeting in October 2003, a large part of the meeting was taken up with debate over payments by the IOPC Fund to the Spanish Government in relation to the Prestige incident. An unprecedented solution was reached by which the IOPC Fund paid the Spanish Government's claim, subject to an interim assessment. If, following a final assessment, it is discovered that part of the claim is inadmissible, then the Spanish Government will reimburse the difference to the IOPC Fund. Any reimbursement is backed by a commercial bank guarantee opened by the Spanish Government in favour of the IOPC Fund.

A working group meeting on the review of the liability and compensation regime was due to take place at the October IOPC Funds meeting but, due to debate on the Prestige matter, it was postponed until February 2004.

OCIMF's support for the Supplementary Fund Protocol adopted at the diplomatic conference in May was predicated on the adoption of a Resolution. This Resolution pressed for the working group to continue working, as a priority, on a comprehensive review of the 1992 CLC and 1992 Fund Convention, particularly in relation to shipowner liability.

OCIMF has, therefore, submitted a position paper to the working group meeting on 24-27 February 2004. The paper, like the Resolution, calls for a comprehensive review of CLC and for shipowners to take a much greater stake in the liability and compensation regime. The proposal is largely based on the principle that increasing shipowners' liability will incentivise them to achieve and maintain high operational safety standards and reduce pollution risks to a minimum.

International Maritime Organization (IMO)

Background

The International Maritime Organization (IMO) is the United Nations specialised agency with responsibility for the safety and security of shipping and the prevention of marine pollution by ships. Its governing body is the Assembly, which is made up of all 163 UN member states and meets normally once every two years. It adopts the budget for the Organization's next biennium and addresses technical resolutions and recommendations prepared by subsidiary bodies during the previous two years. In addition to the member states, three associate members are entitled to attend, as are intergovernmental organisations with which agreements of co-operation have been concluded and non-governmental organisations (NGOs, such as OCIMF) that have consultative status with IMO.

The Maritime Safety, Marine Environment Protection, Legal, Technical Co-operation and Facilitation committees and a number of sub-committees carry out the main technical work of the IMO.

IMO 23rd Assembly

24 November-5 December 2003

The 23rd Assembly was attended by around 1,000 delegates representing 149 member states and three associate members; representatives from the UN and specialised agencies; and observers from six intergovernmental organisations and 30 NGOs.

Member states adopted a total of 30 resolutions covering a wide range of issues including:

- the need for a member state voluntary audit scheme: this would help to promote maritime safety and environmental protection by assessing how effective member states are in implementing and enforcing IMO Conventions
- guidelines on places of refuge for ships in need of assistance but where safety of life is not involved (safety of life being covered by a separate Search & Rescue [SAR] Convention)
- recommendations for the establishment of Maritime Assistance Services by coastal states. These would receive the various

reports, consultations and notifications required in a number of IMO instruments; and provide for the monitoring of a ship's situation if such a report indicates that the ship may be in need of assistance

- guidelines on ship recycling, which were developed to give advice to all stakeholders in the recycling process. These include the administrations of ship building and maritime equipment supplying countries, flag, port and recycling states, as well as intergovernmental organisations and commercial bodies such as ship owners, ship builders, repairers and recyclers
- development and improvement of partnership arrangements for technical co-operation. These would encourage member states, international and regional organisations, NGOs and the industry to provide financial and in-kind support for the implementation of International Technical Co-operation Programme (ITCP) activities
- resolutions covering diverse issues, including the Organization's work programme and budget for the biennium 2004-2005 and technical issues relating to the Organization's work on safety and security of shipping and prevention of marine pollution by ships.

In addition, the Assembly approved the holding of two conferences during the next biennium. The first, to be held in February 2004, will adopt a new International Convention for the Control and Management of Ships' Ballast Water and Sediments. The second, a Legal Conference, will adopt either revisions to the Suppression of Unlawful Acts against the Safety of Maritime Navigation, 1988, and its Protocol of 1988 relating to Fixed Platforms located on the Continental Shelf (SUA Convention and Protocol), or a new Wreck Removal Convention.

One other major piece of business for the Assembly was to approve the appointment of Mr Efthimios Mitropoulos of Greece as the new Secretary-General of the IMO for an initial term of four years, to succeed the incumbent, Mr William O'Neil of Canada, at the end of 2003.

The Assembly agreed unanimously to honour Mr O'Neil by designating him as Secretary-General Emeritus from 1 January 2004.

77th Maritime Safety Committee (MSC 77)

28 May-6 June 2003

The Maritime Safety Committee (MSC) is the highest technical body of the IMO, and delegates from all member states may attend. The main function of MSC is to consider any matter within the scope of the IMO that directly affects maritime safety. It has the power to adopt amendments to conventions, such as the Safety of Life at Sea Convention (SOLAS), Collision Regulations, Load Lines etc.

It is assisted in its work by nine sub-committees, which are also open to all member states. They deal with the following subjects: Bulk Liquids and Gases; Carriage of Dangerous Goods; Solid Cargoes and Containers; Fire Protection; Radio-communications and Search and Rescue; Safety of Navigation; Ship Design and Equipment; Stability and Load Lines and Fishing Vessel Safety; Standards of Training and Watchkeeping and Flag State Implementation.

At this particular session, the MSC agenda covered many of the core activities of the Organization's work. Three working groups were established to consider matters concerning bulk carrier safety, the proposed IMO Model Audit Scheme, as well as implementation issues for the recently adopted measures to enhance maritime security including the ISPS Code and SOLAS amendments. The maritime security issue alone is a major activity in the IMO as it proceeds at pace through the Organization in its run-up to fast track implementation on 1 July 2004. As a consequence of this initiative, maritime security issues are on the agendas of most of the IMO committees and sub-committees.

Other items covered in the scope of work by the MSC included the adoption of a revised Annex B to the 1988 Load Lines Protocol (to provide significant improvements to the structural safety of ships, in particular bulk carriers) and a new role for IMO in developing goal-based new ship construction standards.

The MSC also adopted amendments to SOLAS and to the enhanced survey programme for bulk carriers and oil tankers, as well as implementation of the revised STCW



Convention. Other topics included:

- Places of refuge
- Code for the implementation of IMO instruments
- Severe Acute Respiratory Syndrome (SARS)
- Persons rescued at sea – draft amendments to SOLAS and SAR approved
- Large passenger ship safety – work reviewed
- Piracy and armed robbery against ships
- Granting exemptions from the provisions of the IMDG Code
- Human element.

Just how busy and successful the 77th session was is evidenced by the nine MSC Resolutions adopted and the approval of five draft Assembly resolutions, six draft amendments to safety Conventions (four SOLAS and two STCW) and 28 MSC Circulars that arose from the Committee's intensive deliberations.

49th & 50th Marine Environment Protection Committee (MEPC 49 & 50)

14-18 July and 1-4 December 2003

The MEPC met twice during 2003: MEPC (49) was a regular session of the Committee whereas the second, MEPC (50), was specially convened. This second session was called specifically to consider draft proposals that arose from MEPC (49) to amend MARPOL 73/78 requirements for the phase-out of single-hull tankers through a new accelerated programme. This amendment proposal was a reaction to the **Prestige** incident in 2002, which again raised concerns for the integrity of single-hull tankers carrying heavy grades of oil, an issue that had come to prominence following the **Erika** disaster three years earlier.

The IMO is the United Nations specialised agency with responsibility for the safety and security of shipping and the prevention of marine pollution by ships

At its 49th regular session, the MEPC also finalised a new proposed draft for an International Convention for the Control and Management of Ships' Ballast Water and Sediments, and agreed to hold a diplomatic conference in February 2004. This draft was put forward to Assembly for approval to hold a conference in line with an IMO Council agreed timetable.

MEPC (49) also agreed ship recycling guidelines and an associated draft Assembly resolution, and a further draft Assembly resolution on IMO Policies and Practices related to reduction of greenhouse gas emissions from ships.

Complex discussions also emanated from a new proposal – by Belgium, France, Ireland, Portugal, Spain and the United Kingdom – for a Particularly Sensitive Sea Areas (PSSA) designation for a wide sea area west of these countries, and subject to an easterly line off the Shetland Isles at 00° longitude. The concept covering the area was agreed in principle, with an Associated Protective Measure (APM) calling for a 48-hour notification of vessels arriving carrying certain cargoes, but a further APM banning use of single-hull vessels carrying heavy fuel oils was withdrawn after legal issues and conflict with UNCLOS were raised by some delegations. This proposal has now been passed to the IMO Legal Committee for further deliberation in 2004. Two other PSSA proposals for the Great Barrier Reef and Paracas National Reserve were adopted.

MEPC (49) also undertook work on a number of other important topics including:

- **Application of MARPOL to FPSOs and FSUs** – MEPC circular approved, providing guidance for application of MARPOL Annex 1
- **Implementation of MARPOL Annex IV (Sewage)** – MEPC circular agreed on the implementation of revised Annex IV for the prevention of pollution by sewage from ships
- **Approval of the revised text of MARPOL Annex I and Annex II** – New versions of Annex I and Annex II of the MARPOL Convention were approved, together with the proposed new four-category categorisation system for noxious and liquid substances. The revised texts of both Annexes will be reconfirmed at MEPC (51) in March 2004 and will be considered for adoption at MEPC (52)

in October 2004

- **Anti-fouling Systems** – MEPC adopted two sets of guidelines relating to the 2001 International Convention on the Control of Harmful Anti-fouling Systems on Ships: guidelines for brief sampling of anti-fouling systems and guidelines for inspections of ships anti-fouling systems
- **Implementation of the OPRC Convention and the OPRC-HNS Protocol** – MEPC also approved revised guidance document on bioremediation; the terms of reference for an OPRC and OPRC-HNS Protocol Technical Group; a progress report from the Correspondence Group on the review of the Manual on Chemical Pollution; and an action plan to promote the recommendations of the Third Research and Development Forum on High Density Oil Response.

In addition, MEPC (49) reviewed issues that were brought to their attention concerning the form of the Oil Record Book Part 1 and adopted six MEPC Resolutions.

The special session of MEPC (50) in December 2003 adopted amendments to the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (MARPOL 73/78).

These amendments provide for a revised regulation 13G, giving an accelerated phase-out scheme for single hull tankers. It includes such other measures as an extended application of the Condition Assessment Scheme (CAS) for single-hull tankers of 15 years or older, and a new regulation banning the carriage of Heavy Grade Oil (HGO) in single-hull tankers through a new MARPOL regulation 13H on the prevention of oil pollution from oil tankers when carrying heavy grade oil (HGO).

These regulations are expected to enter into force on 5 April 2005, under the tacit acceptance procedure.

In addition to the regular business of the MEPC, the Committee took the opportunity to hold a commemorative event – under the theme “MEPC – Past, Present and Future” – to mark its fiftieth session and celebrate the successful operation of the MEPC over the last 30 years. The present committee welcomed the participation of previous MEPC chairmen.



SIRE

2003 has seen two major changes – the inauguration of the WebSERM service and the Harmonised VPQ.

The WebSERM programme started for users in February 2003 and now serves some 70% of all SERM users. It has been found particularly beneficial in more remote parts of the world where dial-up modem operation was unreliable. The speed at which reports can be retrieved has greatly improved, and the number of reports extracted from the SIRE system has also increased.

To keep outages to the minimum, a second WebSERM server has been set up in the USA. This provides a backup in case of server failure at the London Docklands site. It has also been an efficient alternative for South American participants. Both servers are kept in constant replication.

SIRE computer uptime (there are now four servers – there was only one in 2002) is 99.8%.

As part of the WebSERM implementation, accredited inspectors can now load VPQs from the internet prior to any inspection.

The Harmonised VPQ (in conjunction with CDI) was issued in March 2003 to 660 participating companies. The majority of companies are now using this software, to submit both SIRE VPQs and CDI reports. Some initial problems with the Greek version of Windows have now been resolved. Software deliveries of programmes used to be via CD, but all SIRE programmes are now downloadable via the internet.

2004 will see another step change in the SIRE system. In April we expect delivery of the Coasters and Barges Database, a project which has been under development in 2003. This will include a new three-track VIQ and VPQ for these vessels. In 2004 we also expect a new four-track VIQ and a review of the existing HVPQ to be put in place.

Owners will be able to comment on any observations found by the accredited inspector, and then offer follow-up comment on their implementation.

OCIMF's SIRE Programme, already the reference standard for impartial ship inspection, is being further developed in 2004 with the introduction of a Coasters and Barges Database



SIRE statistics

January 2003 to December 2003
(January 2002 to December 2002)

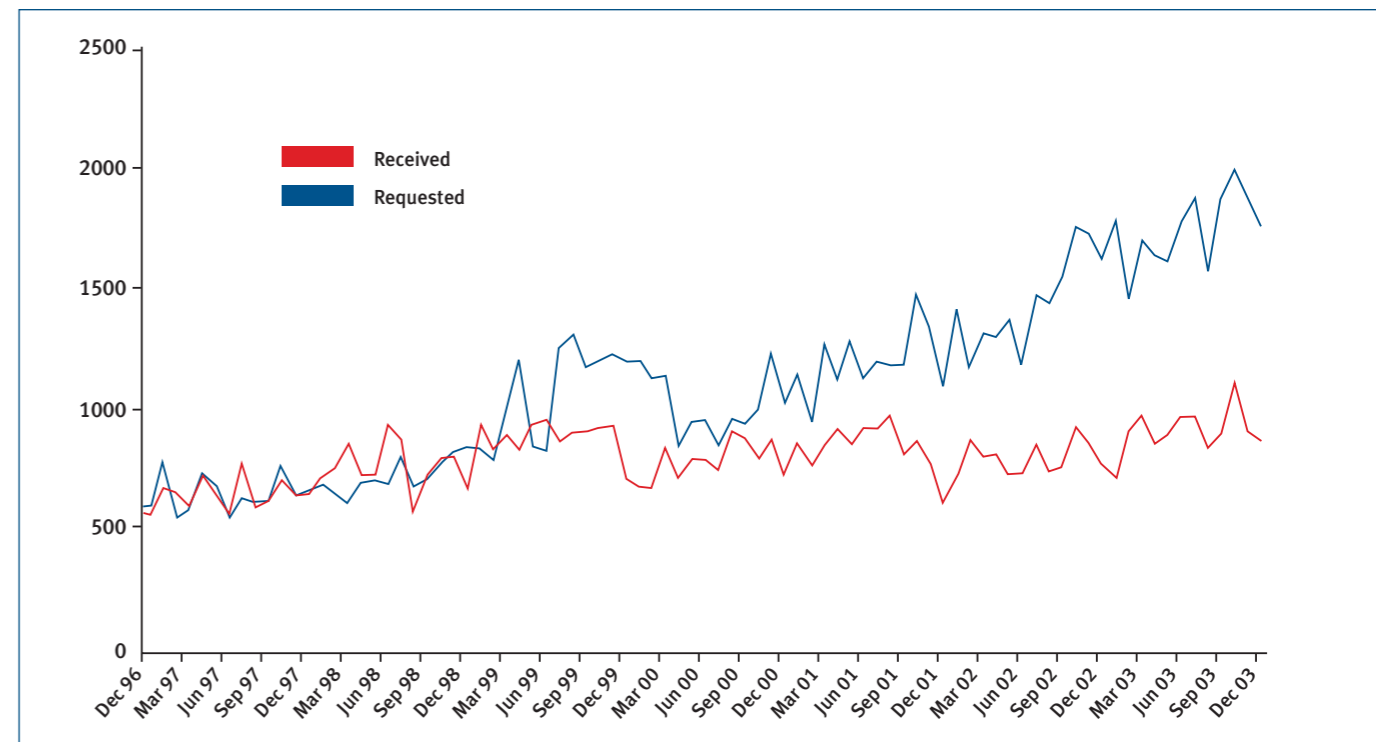
Reports requested	20,965 (17,348)
Reports submitted	10,954 (9,610)
Vessels in database	7,738 (6,840)
Reports per vessel	2.2 (2.4)

ISO status

The migration of the SIRE system from ISO 9002:1994 to ISO 9001:2002 took place successfully well before the December 2003 deadline.

Two OCIMF Member Audits and two BSI Audits took place in 2003. No major non-conformities were found.

SIRE Reports Received & Requested Per Month December 1996 to December 2003



OCIMF Publications



The following publications are published either solely by OCIMF or in conjunction with other industry organisations. Copies can be obtained direct from the publishers Witherby and Co Ltd at www.witherbys.com

No.	Title	Edition	Author
1	Anchoring Systems and Procedures for Large Tankers	1st Edition 1982	OCIMF
2	Barge Safety	1st Edition 1999	OCIMF
3	Clean Seas Guide for Oil tankers	4th Edition 1994	ICS/OCIMF
4	Design and Construction Specification for Marine Loading Arms	3rd Edition 1999	OCIMF
5	Disabled Tankers - Report of Studies on Ship Drift and Towing	1st Edition 1981	OCIMF
6	Drift Characteristics of 50,000 to 70,000 DWT Tankers	1st Edition 1982	OCIMF
7	Effective Mooring	1st Edition 1989	OCIMF
8	Guide on Marine Terminal Fire Protection and Emergency Evacuation	1st Edition 1987	OCIMF
9	Guide to Contingency Planning for the Gas Carrier Alongside and Within Port Limits	2nd Edition 1999	ICS/OCIMF/SIGTTO
10	Contingency Planning and Crew Response Guide for Gas Carrier Damage at Sea and in Port Approaches	3rd Edition 1999	ICS/OCIMF/SIGTTO
11	Guide to Purchasing, Manufacturing and Testing of Loading and Discharge Hoses for Offshore Moorings	4th Edition 1991	OCIMF
12	Guidelines for the Handling, Storage, Inspection and Testing of Hoses in the Field	2nd Edition 1995	OCIMF
13	Guidelines for the Purchasing and Testing of SPM Hawsers	1st Edition 2000	OCIMF
14	Guidelines on the Use of High-Modulus Synthetic Fibre Ropes as Mooring Lines on Large Tankers	1st Edition 2002	OCIMF
15	Hawser Test Report	1st Edition 1982	OCIMF
16	Inspection Guidelines for Ships Carrying Liquefied Gases in Bulk	2nd Edition 1998	OCIMF/SIGTTO
17	International Safety Guide for Oil Tankers and Terminals	4th Edition 1996	IAPH/ICS/OCIMF
18	Marine Terminal Training and Competence Assessment Guidelines for Oil and Petroleum Products Terminals	1st Edition 2001	OCIMF
19	Mooring Equipment Guidelines	2nd Edition 1997	OCIMF
20	Offshore Loading Safety Guidelines with special relevance to harsh weather zones	1st Edition 1999	OCIMF
21	Peril at Sea and Salvage – A Masters Guide	5th Edition 1998	ICS/OCIMF
22	Piracy and Armed Robbery Against Ships	1st Edition 2000	OCIMF
23	Prediction of Wind and Current Loads on VLCC's	2nd Edition 1994	OCIMF
24	Prediction of Wind Loads on Large Liquefied Gas Carriers	1st Edition 1985	OCIMF/SIGTTO
25	Prevention of Oil Spillage Through Pumproom Sea Valves	2nd Edition 1991	ICS/OCIMF
26	Recommendations for Equipment Employed in the Mooring of Ships at Single Point Moorings	3rd Edition 1993	OCIMF
27	Recommendations for Oil Tanker Manifolds and Associated Equipment	4th Edition 1991	OCIMF
28	Recommendations for Manifolds for Refrigerated Liquefied Gas Carriers for Cargoes from 0°C to Minus 104°C	2nd Edition 1987	OCIMF
29	Recommendations for Manifolds for Refrigerated Liquefied Natural Gas Carriers (LNG)	2nd Edition 1994	OCIMF/SIGTTO
30	Recommendations for Ships' Fittings for use with Tugs with particular reference to Escorting & Other High Load Operations	1st Edition 2002	OCIMF
31	Safety Guide for Terminals Handling Ships Carrying Liquefied Gases in Bulk	2nd Edition 1993	OCIMF
32	Ship Information Questionnaire for Gas Carriers	2nd Edition 1998	OCIMF/SIGTTO
33	Ship to Ship Transfer Guide (Liquefied Gases)	2nd Edition 1995	ICS/OCIMF/SIGTTO
34	Ship to Ship Transfer Guide (Petroleum)	3rd Edition 1997	ICS/OCIMF
35	Single Point Mooring Maintenance and Operations Guide	2nd Edition 1995	OCIMF
36	SPM Hose Ancillary Equipment Guide	3rd Edition 1987	OCIMF
37	SPM Hose System Design Commentary	2nd Edition 1993	OCIMF
38	Vessel Inspection Questionnaire for Bulk Oil/Chemical Carriers and Gas Carriers – VIQ	2nd Edition 2000	OCIMF
39	Vessel Particulars Questionnaire for Bulk Oil/Chemical Carriers and Gas Carriers – VPO	1st Edition 1997	OCIMF

Books available in CD ROM or other electronic formats:

1	International Safety Guide for Oil Tankers and Terminals (CD ROM)	4th Edition 1998	IAPH/ICS/OCIMF
2	Vessel Inspection Questionnaire for Bulk Oil/Chemical Carriers and Gas Carriers – VIQ (CD ROM)	2nd Edition 2000	OCIMF

Just released into circulation is:

Marine Terminal Baseline Criteria and Assessment Questionnaire	1st Edition 2004	OCIMF
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(this replaces Marine Terminal Survey Guidelines which has been withdrawn from publications list)

This year will see the following publications come into print:

International Safety Guide for Oil Tankers and Terminals.	5th Edition 2004	IAPH/ICS/OCIMF
Tanker Management and Self Assessment Guide	1st Edition 2004	OCIMF
Ship to Ship Transfer Guide (Petroleum)	4th Edition	ICS/OCIMF

Programme of IMO meetings for 2004

The following is the provisional list of meetings for the IMO Committees and Sub-Committees, plus IOPC Fund meetings at IMO HQ

Name of meeting	Session No.	Date held
Sub-Committee on Fire Protection (FP)	48	12-16 Jan
Sub-Committee on Standards of Training and Watchkeeping (STW)	35	26-30 Jan
International Conference on Ballast Water Management for Ships		9-13 Feb
Sub-Committee on Radiocommunications and Search and Rescue (COMSAR)	8	16-20 Feb
IOPC Funds (inc 3rd Intersessional WG)		23-27 Feb
Sub-Committee on Ship Design and Equipment (DE)	47	25 Feb-5 Mar
Sub-Committee on Flag State Implementation (FSI)	12	15-19 Mar
Marine Environment Protection Committee	51	29 Mar-2 Apr
Legal Committee (LEG)	88	19-23 Apr
Maritime Safety Committee (MSC)	78	12-21 May
IOPC Funds (TBC 3rd Intersessional WG)		24-28 May
Technical Co-operation Committee (TCC)	54	15-17 Jun
Council	92	21-25 Jun
Sub-Committee on Safety of Navigation (NAV)	50	5-9 Jul
Facilitation Committee (FAL)	31	19-23 Jul
Stability and Load Lines and Fishing Vessel Safety (SLF)	47	13-17 Sep
Sub-Committee on Dangerous Goods, Solid Cargoes and Containers (DSC)	9	27 Sep-1 Oct
Marine Environment Protection Committee	52	11-15 Oct
IOPC Funds (TBC 3rd Intersessional WG)		18-22 Oct
Legal Committee	89	25-29 Oct
Council	93	15-19 Nov
Maritime Safety Committee	79	1-10 Dec

OCIMF Information Papers

Copies can be downloaded from the OCIMF website www.ocimf.com

- Accelerated Corrosion of Cargo Tanks
- Hazards Associated with Requests for Additional Mooring Lines
- Hydrostatically Balanced Loading
- Control of Drugs and Alcohol Onboard Ship
- Enhanced Survey Programme
- Exposure to Benzene Vapours
- Health, Safety and Environment at New-Building and Repair Shipyards and During Factory Acceptance Testing
- Industry Code of Practice on Ship Recycling
- Inert Gas Systems – Block and Bleed Valve Arrangements for Chemical Tankers
- Inert Gas Systems – Dry Type Deck Water Seals
- Inert Gas Systems – Semi-Dry Type Deck Water Seals
- Lifeboat Incident Survey 2000
- Marine Injury Reporting Guidelines
- Port and Terminal Information
- The Prevention of Over and Under Pressurisation of Cargo Tanks on Oil Tankers
- An Information Paper on Pumproom Safety
- Results of A Survey Into Lifeboat Safety
- Ship Measurement – Deadweight or Displacement?
- Guidance for Oil Terminal Operators on The IMO International Ship and Port Facility Security (ISPS) Code

Constitution

ARTICLE 1: Purposes

The Oil Companies International Marine Forum (hereinafter called “the Marine Forum”), a body corporate in Bermuda, is a voluntary association of oil companies, as hereinafter defined.

The purpose of the Marine Forum is to engage in activities with respect to matters of mutual concern relating primarily to the transportation by tanker and marine terminalling of crude oil, liquefied natural gas, liquefied petroleum gas, their derivatives and related organic compounds, with special reference to the protection of the marine environment and the promotion of safety in marine operations, including but not limited to the following:-

- (i) To represent its membership before, and consult with, the Organization of the United Nations (including the International Maritime Organization), government bodies and other national and international organisations;
- (ii) To keep its members apprised of the consideration of the aforementioned matters given by such organisations and bodies and of other developments involving such matters; and
- (iii) To conduct studies and undertake projects relating to such matters.

The Marine Forum shall not, however, engage in any activity which is in contravention of the laws of Bermuda or England or the laws applicable to any members.

ARTICLE 2: Definitions

For the purpose of this Constitution, the following definitions shall apply:

“Oil Company” means a company having an interest either directly or through an affiliated or an associated company in the shipment by tanker and marine terminalling of crude oil, liquefied natural gas, liquefied petroleum gas, their derivatives and related organic compounds.

An “affiliated company” means a company more than 20% of whose voting stock is owned directly or indirectly by another company.

An “associated company” means a company which has authorised another company to act for it on matters within the scope of the purpose of the Marine Forum.

ARTICLE 3: Membership

Any Oil Company in the world may apply to become a member of the Marine Forum.

An Oil Company shall be admitted to membership upon application approved by a majority of those present and voting at a meeting of the Executive Committee.

Only one Oil Company within any group of affiliated or associated companies may be a member of the Marine Forum and shall represent the interests of that group.

ARTICLE 4: Location

The Marine Forum shall be established with headquarters in Bermuda, with a branch office in London primarily for maintaining contact with the International Maritime Organization.

ARTICLE 5: Office Bearers

There shall be elected in Annual General Meeting a Chairman of the Marine Forum who shall hold office until the next following Annual General Meeting and he shall be eligible for re-election for such periods as may be determined. There shall also be elected in each Annual General Meeting one or more Vice-Chairmen who shall hold office until the next Annual General Meeting who shall also be eligible for re-election. A Director of the Marine Forum and such other Officers considered necessary shall be appointed by the Executive Committee on terms of remuneration as may be agreed.

ARTICLE 6: Executive Committee

To assist the Chairman in his general responsibility for the work of the Marine Forum between Annual General Meetings, there shall be an Executive Committee of not more than 15 elected members who may each designate an alternate to attend meetings and act on their behalf, in addition to the Chairman and Vice-Chairman who shall be ex-officio members of the Executive Committee.

The said members of the Executive Committee shall be elected in Annual General Meeting, shall serve until the next Annual General Meeting, and shall be eligible for re-election for such periods as may then be determined.

Each member at meetings of the Executive Committee shall have one vote and in the case of an equality of vote, the Chairman shall have the casting vote.

The Executive Committee may at all times make provisions for the appointment of such advisers as it may think fit.

The Executive Committee shall:-

- (a) have power between Annual General Meetings of the Marine Forum to make decisions affecting the general policy and administration of the Marine Forum; any such decisions on matters of policy shall be circulated to members in advance if practicable and nothing herein shall prevent a member from taking a position contrary to the position taken by the Executive Committee or for that matter by the Marine Forum itself in General Meeting;
 - (b) approve the Agenda and Resolutions for subsequent Annual and Extraordinary General Meetings of the Marine Forum;
- and
- (c) authorise such studies or research projects as may be deemed to be in the interests of the members and consistent with the purposes of the Marine Forum.

The Executive Committee shall meet in response to a notice signed by the Chairman or the Director specifying the date, time and place of such meeting and the business to be transacted.

Reasonable notice shall be given at all times of the meetings of the Executive Committee and, wherever possible, the notice shall be issued not less than one month in advance of the meeting.

Three members of the Executive Committee shall be a quorum. At each meeting of the Executive Committee the Chairman shall preside and in his absence a Vice-Chairman shall preside. In the absence of the Chairman and a Vice-Chairman the Committee shall elect one of its members present to preside.



ARTICLE 7: Meetings

An Annual General Meeting shall normally be held once in every calendar year. Extraordinary General Meetings shall be called at the discretion of the Chairman or upon the written request of at least six members.

One month's notice to any Annual or Extraordinary General Meeting shall be given to the members by the Director who shall prepare an Agenda for the meeting in consultation with the Chairman and send it to members together with a notice confirming the meeting. Resolutions shall be passed if supported by more than half the total votes of the members of the Forum. In the case of an equality of votes the Chairman shall have a casting vote.

ARTICLE 8: Committees

The Executive Committee shall have power to appoint any Committees and sub-Committees as may be required from time to time. Where appropriate, the Executive Committee may offer membership on any such Committee or sub-Committee to non-members of the Marine Forum whose sphere of interest extends to matters within the purview of the Committee or sub-Committee.

ARTICLE 9: Secretariat

The general business of the Marine Forum shall be conducted in accordance with the Resolutions of the Marine Forum and the Executive Committee as appropriate, with the assistance of the Director and such staff as may be required from time to time.

ARTICLE 10: Cessation of Membership

Members of the Marine Forum may withdraw from membership upon giving 30 days' notice of their intention to do so at any time. A member's contribution under Article 11 shall be paid for the calendar year in which membership is terminated.

A two-thirds vote of the members in General Meeting or the unanimous vote of the Executive Committee shall cause the cessation of membership of a member.

ARTICLE 11: Finance

The cost of administration of the Marine Forum and of studies, research or other projects approved by the Executive Committee shall be met by contributions from each member and calls to meet such costs shall be made annually or at such interval as may be required from time to time, except that a member shall not be required to contribute to calls to meet the costs of a study, research or other project if said member objects to such a study, research or other project within 60 days after having been notified of its approval by the Executive Committee.

Subject to paragraph 1 of this Article 11, the total administration cost or cost of studies, research or other projects to be borne by each member shall be on an equal share basis.

ARTICLE 12: Voting Rights

At an Annual or Extraordinary General Meeting, each member, whether present or not, shall have one vote provided, however, that the member may not have a vote in respect of any study, research or other project objected to by the member in accordance with the first paragraph of Article 11 of the Constitution.

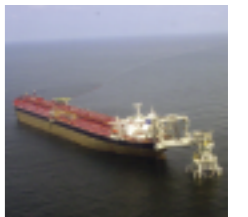
ARTICLE 13: Revision of Constitution

This Constitution, or any part of it, may be altered or amended by Resolution in Annual or Extraordinary General Meeting.

ARTICLE 14: Winding Up

A decision to wind up the Marine Forum shall not be valid unless taken at an Annual or Extraordinary General Meeting in accordance with the provisions of Article 7, Meetings.

In the event that it be decided to wind up the Marine Forum its assets shall, after debts have been paid, be equitably distributed between the members of the Marine Forum at the time of such winding up.



Oil Companies International Marine Forum
27 Queen Anne's Gate
London
SW1H 9BU
United Kingdom

T +44 (0) 20 7654 1200
F +44 (0) 20 7654 1205
enquiries@ocimf.com
www.ocimf.com