



Ship Type: All      Trade Area: USA

## **Bulletin 477 - 07/06 - Increased Liability for Oil Spills - USA**

**On the 11th July 2006, President Bush signed into law the Coast Guard and Maritime Transportation Act of 2006 containing provisions to increase liability limits of shipowners and operators for oil spills in the US.**

The new law significantly increases the liability limits under OPA 90 in the following way:

- 1) For a single hull tank ship, US\$ 3,000 per gross ton, subject to a minimum liability of
  - US\$ 22 million in the case of a ship greater than 3,000 gross tons, or
  - US\$ 6 million in the case of a ship of 3,000 gross tons or less
- 2) For a double hull tank ship, US\$ 1,900 per gross ton, subject to a minimum liability of
  - US\$ 16 million in the case of a ship greater than 3,000 gross tons, or
  - US\$ 4 million in the case of a ship of 3,000 gross tons or less
- 3) For non-tank ships, US\$ 950 per gross ton or US\$ 800,000, whichever is greater.

As a comparison, the original OPA 90 limits are:

- 1) For a tank ship, US\$ 1,200 per gross ton, subject to a minimum liability of
  - US\$ 10 million in the case of a ship greater than 3,000 gross tons, or
  - US\$ 2 million in the case of a ship of 3,000 gross tons or less
- 2) For non-tank ships, US\$ 600 per gross ton or US\$ 500,000, whichever is greater.

While the law took effect immediately upon enactment by the signature of the President, the increased OPA liability limits will only apply to incidents occurring on or after the 90th day after enactment i.e., on or after the 8th October 2006.

The 90 day period may be intended to allow for compliance with filing new COFRs to show financial responsibility corresponding to the new liability limits. We will closely monitor the USCG's intentions in this respect.

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