

**AGREEMENT GOVERNING THE DELEGATION OF CERTAIN SURVEY
AND CERTIFICATION SERVICES
FOR UNITED STATES OF AMERICA FLAGGED VESSELS**

**between the
UNITED STATES COAST GUARD
and
DET NORSKE VERITAS**

1. Application.

This Agreement delegates authority and sets forth guidelines for cooperation between the United States Coast Guard and Det Norske Veritas, hereafter referred to as “Coast Guard” and “Det Norske Veritas,” respectively. The term “Agreement” in this document refers to the Agreement and any annexes or amendments that may be agreed upon by Det Norske Veritas and the Coast Guard. In this Agreement, the term “Commandant” refers to the United States Coast Guard Assistant Commandant for Marine Safety and Environmental Protection.

This authority relates to the initial and subsequent surveys and periodic reinspections or examinations of vessels of the United States, as defined by 46 United States Code, Section 2101(46), both in the United States and in foreign countries, in the review and approval of plans, the tonnage measurement of vessels, and in associated activities. Nothing in this Agreement alters in any way the statutory or regulatory authority of the Coast Guard.

2. Purpose.

The purpose of this Agreement is to authorize Det Norske Veritas to perform specified vessel survey functions on U.S. flagged vessels on behalf of the Coast Guard.

This Agreement defines the scope, terms and conditions and requirements of the delegated authority to Det Norske Veritas.

3. General Conditions.

Delegated functions performed by, and certificates issued by, Det Norske Veritas will be accepted as functions performed or certificates issued by the Coast Guard, provided that Det Norske Veritas remains in compliance with all provisions of this Agreement.

4. Authorized Functions.

4.1 The Coast Guard delegates to Det Norske Veritas the authority to measure vessels, conduct the initial and subsequent surveys, periodic reinspections and examinations including drydocking

examinations and the authority to issue and endorse certain certificates as provided in Annex 1 of this Agreement for U.S. flagged vessels, both in the United States and in foreign countries. In carrying out these functions, Det Norske Veritas shall comply with any restrictions, special instructions or supplemental requirements as required by the Agreement.

4.2 The Coast Guard will accept the review and approval of vessel plans by Det Norske Veritas in the same manner as if approved by the Coast Guard for those plans related to the functions authorized by this Agreement.

4.3 The Coast Guard retains the authority to revoke or suspend any certificates issued by Det Norske Veritas on behalf of the Coast Guard. This authority is not extended to Det Norske Veritas. (See paragraph 6.3 for related reporting requirements.)

5. Legal Basis.

The Coast Guard is statutorily authorized to administer laws and promulgate and enforce regulations for the promotion of the safety of life and property at sea and the protection of the marine environment. In accordance with the authority granted by Title 46, United States Code, Section 3316, and as implemented under the regulations in Title 46, United States Code of Federal Regulations, Part 8, the Coast Guard may delegate plan review and approval, inspections and examinations and issuance of certain international convention certificates. The Coast Guard also has statutory authority under Title 46, United States Code, Part J - Measurement of Vessels, for the measurement and the certification of tonnage for vessels for which the application of a law of the United States depends on the vessel's tonnage. Under Title 46, United States Code, Section 14103, the Coast Guard may delegate the authority to measure vessels to qualified persons. Title 46, United States Code, Section 5107, authorizes the Coast Guard to delegate the authority to assign load lines, survey vessels, determine that load line marks are marked correctly, and issue load line certificates to qualified organizations.

6. Reporting Requirements.

6.1 All notifications made by Det Norske Veritas under this Agreement shall be made within the time frames specified herein once Det Norske Veritas has become aware of the incident, infraction or deficiencies.

6.2 Det Norske Veritas shall immediately notify the Commandant of any events where it finds itself unable to fulfill its responsibilities set forth in this Agreement.

6.3 When Det Norske Veritas determines that a U.S. flagged vessel receiving certificates under this Agreement is not in compliance with class rules, applicable international conventions, or supplemental requirements under which its certificates were issued and corrective action is either insufficient to ensure compliance or is not taken or are beyond any extensions allowable under the appropriate instruments, Det Norske Veritas shall immediately report this to the Coast Guard. The report shall contain the vessel name and official number, if applicable, and a description of the circumstances and deficiencies.

6.4 Det Norske Veritas shall report to the Commandant in writing the names and official numbers, if applicable, of any vessels removed from Det Norske Veritas class for which Det Norske Veritas has performed any function delegated under this Agreement on behalf of the Coast Guard. The written notification shall be made within thirty days, and shall include a description of the reason for the removal from class.

6.5 Det Norske Veritas shall, upon notification of such events, inform the Commandant immediately of all cases where U.S. flagged vessels, subject to, or having surveys performed under this Agreement, have been detained under port state control proceedings, or have otherwise been found unfit to proceed to sea without endangering the ship, persons on board or presenting an unreasonable threat or harm to the environment. The report shall contain a description of the circumstances and deficiencies.

6.6 If while performing the delegated functions of this Agreement, an employee of Det Norske Veritas discovers any deficiency that directly or indirectly affects the validity of any aspect of a certificate issued by another classification society, Det Norske Veritas shall notify as soon as practicable, but no later than fifteen days following discovery, the cognizant office of that classification society both verbally and in writing. A copy of the written notice shall be simultaneously provided to the Commandant.

6.7 Det Norske Veritas shall provide to the Commandant within sixty days of publication the Det Norske Veritas Register Book and periodic Supplements.

7. Development of rules and/or regulations -- Information.

7.1 Det Norske Veritas shall designate appropriate persons employed exclusively by Det Norske Veritas to serve as points of contact with the appropriate Coast Guard personnel on matters of interpretation, policy and the working relationship.

7.2 Det Norske Veritas shall allow the Commandant to participate in the development of class rules and provide the Commandant the opportunity to comment on any proposed changes to its class rules and to respond to the disposition of those comments.

7.3 Where Det Norske Veritas adopts changes to its rules for ship classification that are determined by the Coast Guard to be inconsistent with Title 46, United States Code of Federal Regulations, Chapter I, or Coast Guard policy, the Coast Guard may require Det Norske Veritas to administer corrective measures or provisions to any rules or activities that affect any delegated activities on behalf of the Coast Guard.

7.4 Det Norske Veritas shall submit for approval by the Coast Guard proposed changes to any supplemental requirements to Det Norske Veritas rules that may affect any vessel inspection or certification activities by Det Norske Veritas under this Agreement.

8. Other Conditions.

8.1 Remuneration for delegated survey and certification services carried out by Det Norske Veritas on behalf of the Coast Guard will be charged by Det Norske Veritas directly to the party requesting such services.

8.2 Det Norske Veritas shall provide the Commandant with a current copy of fee schedules, including changes to the schedule, for all functions delegated under this Agreement.

8.3 In issuing certificates or performing other functions on behalf of the Coast Guard under this Agreement, Det Norske Veritas shall apply Coast Guard interpretations, when they exist, to international conventions.

8.4 Det Norske Veritas shall ensure that its employees engaged in the performance of functions delegated under this Agreement are familiar with and require compliance with applicable United States laws and regulations, Coast Guard policies, interpretations, and instructions, including: (1) as authorized, applicable international conventions to which the United States is a party; (2) United States statutes; (3) United States federal regulations; (4) Det Norske Veritas rules and regulations for the classification of ships; and (5) any restrictions, special instructions, and supplemental requirements as required by this Agreement.

8.5 Unless specifically stated otherwise, only exclusive employees of Det Norske Veritas are authorized to perform work pursuant to any delegated function specified under this Agreement.

8.6 Det Norske Veritas shall honor any appeal decision made by the Commandant on issues related to delegated functions under this Agreement.

8.7 Det Norske Veritas, in exchange for express assurances of confidentiality, will in furtherance of this agreement, provide the Coast Guard with information which is otherwise not available to private or public parties. This information is only provided to the Coast Guard due to the express assurance of confidentiality, and in the event that the confidentiality is breached, it will serve as a basis for restricting access by the Coast Guard to Det Norske Veritas's confidential and proprietary information. It is further expressly agreed that the Coast Guard will promptly notify Det Norske Veritas in writing upon receipt of any request for Det Norske Veritas's records.

8.8 In the event the Coast Guard is found liable in a court of law for losses or damages sustained due to a negligent act or omission by Det Norske Veritas, its officers, employees or others who were acting on behalf of Det Norske Veritas pursuant to this Agreement, the Coast Guard is entitled to obtain compensation from Det Norske Veritas up to, but not exceeding, the amount of the Coast Guard's financial liability.

8.9 While acting on behalf of the Coast Guard under this Agreement, Det Norske Veritas shall be free to create contracts directly with clients and such contracts may contain Det Norske Veritas's normal contractual conditions for limiting its legal liability.

8.10 This Agreement becomes effective upon authorized signature of both the Coast Guard and Det Norske Veritas.

8.11 Termination of this Agreement, any delegated functions under this Agreement and any amendments to this Agreement will occur sixty days after written notice has been given by either party.

8.12 Revocation and termination of this Agreement, any delegated functions under this Agreement and any amendments to this Agreement may be made under the following conditions:

8.12.1 Failure of Det Norske Veritas to maintain the minimum standards of a recognized classification society, set forth in Title 46, United States Code of Federal Regulations, Part 8, Subpart B, may be cause for termination of Det Norske Veritas as a recognized classification society.

8.12.2 Termination of Det Norske Veritas as a recognized classification society by the Coast Guard will terminate this Agreement.

8.12.3 Breach of any terms or conditions of this Agreement may be cause for termination of the Agreement.

8.12.4 The Agreement shall be governed by and conducted in accordance with United States law.

8.13 The interpretation by the Coast Guard of the technical aspects of this Agreement shall be final.

8.14 Amendments to this Agreement or the acceptance of revised annexes shall become effective only after consultation and written agreement between the Coast Guard and Det Norske Veritas. Amendments and revised annexes shall go into effect upon authorized signature of both parties.

9. Specification of Delegated Functions.

9.1 This Agreement applies to those U.S. flagged vessels that carry international certificates for which Det Norske Veritas performs any delegated function under this Agreement.

9.2 Authorized functions, applicable instruments and any restrictions, special instructions or supplemental requirements for those functions performed on behalf of the Coast Guard are contained in annexes of this Agreement.

9.3 Det Norske Veritas shall obtain approval from the Commandant prior to granting exemptions from the requirements of international conventions, class rules and any applicable U.S. supplemental requirements to Det Norske Veritas class rules related to any authorized functions performed on behalf of the Coast Guard under this Agreement.

9.4 Det Norske Veritas shall obtain approval from the Commandant prior to granting any extensions of authorized certificates. Det Norske Veritas will apply to the Coast Guard for

approval as far in advance as practical with the circumstances and conditions related to the requested extension.

9.5 Det Norske Veritas shall attend any U.S. flagged vessel for which it has performed any delegated function on behalf of the Coast Guard at the request of an appropriate Coast Guard official.

9.6 Det Norske Veritas shall accept all requests to perform delegated services without regard to the vessel's location, unless prohibited from doing so under the laws of the United States or under the laws of the jurisdiction in which the vessel is located.

9.7 Det Norske Veritas shall allow those exclusive employees, authorized to perform delegated functions on behalf of the Coast Guard, to participate in training with the Coast Guard regarding those functions.

9.8 All documentation issued by or requested from Det Norske Veritas pursuant to this Agreement shall be in the English language.

9.9 Det Norske Veritas shall maintain a corporate office in the United States that has adequate resources and staff to support all delegated functions.

9.10 All records of survey, inspection, examination, review and approval related to delegated functions conducted on behalf of the Coast Guard shall be maintained in the United States in accordance with the provisions of Title 46, United States Code, Section 3316.

10. Supervision of Delegated Functions.

10.1 Det Norske Veritas shall allow the Coast Guard to accompany internal and external quality audits and shall provide written results of such audits to the Commandant upon request.

10.2 Det Norske Veritas shall provide the Coast Guard sufficient access necessary to oversee Det Norske Veritas to ensure that it continues to comply with the minimum standards required for a recognized classification society as set forth in Title 46, United States Code of Federal Regulations, Part 8.

10.3 Det Norske Veritas shall provide a copy of its regulations, rules, instructions, survey procedures, circulars and guidelines that are related to the performance of the delegated functions under this Agreement to the Commandant.

10.3.1 All of the following written documents related to the performance of the delegated functions shall be made available to the Coast Guard by Det Norske Veritas:

- (a) equivalency determinations,
- (b) surveys,
- (c) certificates,
- (d) report forms,
- (e) vessel deficiencies, and
- (f) Det Norske Veritas vessel recommendations.

10.4 Det Norske Veritas shall grant the Coast Guard access to all plans and documents, including survey reports, on the basis of which international certificates are issued or endorsed by Det Norske Veritas on behalf of the Coast Guard.

10.5 Det Norske Veritas shall provide information and access to the Coast Guard to conduct oversight of its activities related to delegated functions conducted on behalf of the Coast Guard pursuant to this Agreement.

10.6 At the request of the Commandant, Det Norske Veritas shall provide any information, statistics and data related to U.S. flagged vessels' compliance to Det Norske Veritas rules for the classification of ships, supplemental requirements under this agreement and any appropriate Coast Guard regulations including reports of damage and/or casualties that such vessels may have incurred.

This Agreement commences upon receipt of the authorized signature from both the Coast Guard and Det Norske Veritas.

For the United States Coast Guard

For Det Norske Veritas

_____ on December 12, 1997

R. C. North
Rear Admiral, United States Coast Guard
Assistant Commandant for Marine Safety
and Environmental Protection

_____ on December 12, 1997

Helge Dag Tangen
Executive Vice President
Head of Division Americas
Det Norske Veritas

Annex 1

To the AGREEMENT GOVERNING THE DELEGATION OF CERTAIN SURVEY AND CERTIFICATION SERVICES

FOR UNITED STATES OF AMERICA FLAGGED VESSELS

between the

UNITED STATES COAST GUARD

and

DET NORSKE VERITAS

APPLICABLE INSTRUMENTS AND AUTHORIZATIONS

1. Tonnage

A. The following instruments apply:

- International Convention on Tonnage Measurement of Ships of 1969, and Title 46, United States Code of Federal Regulations, Part 69, Subpart B - Convention Measurement System
- Title 46, United States Code of Federal Regulations, Part 69, Subpart C - Standard Measurement System
- Title 46, United States Code of Federal Regulations, Part 69, Subpart D - Dual Measurement System.

B. Det Norske Veritas is authorized to issue Tonnage certificates and perform all related functions in accordance with either the International Convention on Tonnage Measurement of Ships, 1969, or in accordance with the Standard or Dual Measurement Systems under Title 46, United States Code, Chapter 145 for U.S. flag vessels.

C. In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

1.1 Det Norske Veritas may use part-time employees or independent contractors in lieu of exclusive employees to provide measurement services, provided such individuals have been specifically designated by Det Norske Veritas to perform this function.

1.2 Det Norske Veritas shall not use an employee or contractor to measure and certify the tonnage of a vessel if that employee or contractor is acting or has acted as a tonnage consultant for the same vessel.

1.3 Det Norske Veritas shall physically conduct a compliance inspection before issuing each tonnage

certificate.

1.4 Det Norske Veritas will notify the Coast Guard of scheduled meetings that may take place between Det Norske Veritas and other vessel tonnage measurement organizations pertaining to tonnage measurement of U.S. flagged vessels or to systems under which U.S. flagged vessels are measured.

2. Load Line

A. The following instruments apply:

- International Convention on Load Lines, 1966
- Supplement relating to the International Convention on Load Lines, 1966
- Protocol of 1988 relating to the International Convention on Load Lines, 1966

B. Det Norske Veritas is authorized to issue International Load Line certificates and perform all related functions in accordance with the International Convention on Load Lines for U.S. flag vessels. International Load Line certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the “United States of America.”

C. In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

2.1 All requests for exemptions, equivalencies, and experimental purposes (per International Convention on Load Lines Articles 6, 8, and 9, respectively), or other special considerations allowed under the International Convention on Load Lines at the discretion of the Flag Administration, must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from Det Norske Veritas concerning approval. Upon approval by the Commandant, Det Norske Veritas may issue the appropriately annotated International Load Line Certificate.

3. International Oil Pollution Prevention (IOPP) Certificate

A. The following instruments apply:

- International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78) relating thereto

B. Det Norske Veritas is authorized to conduct plan review and approval, initial and subsequent surveys, periodic reinspections and examinations and to issue and endorse the International Oil Pollution Prevention Certificate as provided in Annex I, Chapter I, Regulation 5, MARPOL 73/78, as may be amended, for U.S. flag vessels. IOPP certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the “United States of America.”

C. In addition to the conditions set forth in the Agreement and the requirements set forth in the

applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard.

3.1 Det Norske Veritas may issue an IOPP Certificate having a period of validity of not more than 60 months after ascertaining that the vessel meets the applicable requirements of Annex I, MARPOL 73/78.

3.2 Det Norske Veritas shall follow the published Coast Guard guidelines for the surveying of ships pursuant to issuance of an IOPP certificate. These are contained in Navigation and Vessel Inspection Circular (NVIC) No. 6-94, and Change 1 to NVIC No. 6-94 "Guidance for Issuing IOPP Certificates under Annex I of MARPOL, 1973, as amended by the Protocol of 1978, relating thereto;" NVIC No. 10-94 "Guidance for Determination and Documentation of the Oil Pollution Act of 1990 (OPA) Phase-Out Schedule for Existing Single Hull Vessels Carrying Oil in Bulk", and in Volume II of the Coast Guard Marine Safety Manual. In determining whether a vessel requires an IOPP certificate, the term "oil" shall have the same meaning as defined in Chapter 1, regulation 1, of MARPOL Annex 1. Vessels whose cargo carriage authority is restricted to products which do not meet the Annex I definition are not required to have an IOPP certificate, notwithstanding the fact domestic legislation may define the product(s) as an oil.

3.3 Multiple IOPP certificates may not be issued to any vessel without the prior approval of the Coast Guard.

3.4 All requests for exemptions, equivalencies, major conversion determinations, or alternatives (per MARPOL, Annex I, Regulations 3, 13F, and 13G), or other special considerations allowed at the discretion of the Flag Administration under MARPOL, Annex I, must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from Det Norske Veritas concerning approval. Upon approval by the Commandant, Det Norske Veritas may issue the appropriately annotated IOPP Certificate.

This Agreement commences upon receipt of the authorized signature from both the Coast Guard and Det Norske Veritas.

For the United States Coast Guard

For Det Norske Veritas

_____ on December 12, 1997
R. C. North
Rear Admiral, United States Coast Guard
Assistant Commandant for Marine Safety
and Environmental Protection

_____ on December 12, 1997
Helge Dag Tangen
Executive Vice President
Head of Division Americas
Det Norske Veritas

Annex 2

To the AGREEMENT GOVERNING THE DELEGATION OF CERTAIN SURVEY AND CERTIFICATION SERVICES

FOR UNITED STATES OF AMERICA FLAGGED VESSELS

between the

UNITED STATES COAST GUARD

and

DET NORSKE VERITAS

SUPPLEMENTAL REQUIREMENTS

1. Tonnage

None

2. Load Line

None

3. International Oil Pollution Prevention Certificate

None

This Agreement commences upon receipt of the authorized signature from both the Coast Guard and Det Norske Veritas.

For the United States Coast Guard

For Det Norske Veritas

_____ on December 12, 1997

R. C. North
Rear Admiral, United States Coast Guard
Assistant Commandant for Marine Safety
and Environmental Protection

_____ on December 12, 1997

Helge Dag Tangen
Executive Vice President
Head of Division Americas
Det Norske Veritas