

# OFF COURSE

## Salvage group aims to update LOF contract

Adam Corbett London

The world's leading salvage companies say they want to bring the Lloyd's Open Form (LOF) standard salvage contract into the 21st century, as they celebrate its centenary.

The International Salvage Union (ISU) is pushing for an update of the traditional "no cure, no pay" contract sometime in the next two years.

It has been revised routinely every 10 years with the latest addition, the Special Compensation Protection-and-Indemnity Club (Scopic) clause, in 2000. Now the ISU says 2010 is the right time to add the environmental clause they have been pushing for.

ISU members have long argued that the existing LOF contract, first established in 1908, rewards them for saving the ship and its cargo but not enough for the work they do in protecting the environment. They also feel that London Lloyd's arbitrators are reluctant to recognise their efforts in preventing pollution. And yet pollution claims are becoming more costly and there is an increased emphasis on protecting the environment in society.

Speaking in London, ISU president and Donjon Marine head Arnold Witte said that with falling accident rates, the global salvage industry is currently only worth \$100m a year and this is discouraging investment in salvage equipment. Pollution claims are, however, on the rise.

He said: "Any long-term solution must recognise the environmental benefit of salvage services. Pollution prevention is more important than ever. This holds the key to the continuity of salvage and pollution-prevention services in the future years."

He wants the system brought up to date. "Under such a system, the salvor would continue to receive a salvage award for success in recovering property but he would also receive a distinct environmental-salvage award for his success in preventing or minimising pollution damage."

The ISU has also introduced its own LOF website (lof-at-isu.com), which fully explains the LOF system to owners and informs them of when and how to use it. It also offers advice on how to respond to casualties both for ship masters and shore staff.

Class society pulled 'Da Ji' China Classification Society (CCS) says it did not class the 27,000-dwt bulk carrier Da Ji (built 1977), which sank off Taiwan earlier this month claiming 13 lives.

The vessel, previously named Sino Pioneer, had been under its class until October 2006. But class was withdrawn because its statutory class survey was already six months overdue.

Ship-inspection database Equis still lists the ship as under CCS class. The loss of the Da Ji has been one of a number of handy-size-bulk carrier losses in Asia in recent months that together have claimed 50 lives.

# Liberia-flag ship caught in pickle

## A vessel held at a UK port is also in a stew over alleged crew intimidation.

Adam Corbett London

Liberia has suspended the safety certification of a 25-year-old bulk carrier detained at the UK port of Immingham when crew told a local seafarer's charity they feared for their safety.

The ship is also at the centre of a controversy with unions over an unusual document that the owner asked the crew to sign stating they are "happy" with their employers.

Liberia International Ship & Corporate Registry chief executive officer Scott Bergeron tells TradeWinds that the 39,700-dwt Padre was detained "immediately" by a Liberian inspector and its International Safety Management (ISM) certification has been withdrawn.

The International Transport Workers' Federation (ITF) says problems with the vessel had originally been raised by crew who told the local Apostleship of the Sea that the Padre, slated to take a cargo of scrap out of Immingham, had been in a storm in the Bay of Biscay and taken on water in the cargo holds.

The seafarer's charity then requested the local ITF representative to arrange a flag-state inspection.

Bergeron says that although he does not have the full details, the survey had detected "some issues with the cargo-containment system and evidence of seawater in the holds".

"It is our job to protect the crew if they did not feel safe. The ship



IMMINGHAM: Authorities have suspended the safety certification of the "Padre" Photo: ITF

will not sail until it is seaworthy," he said.

The ship, which is classed by China Classification Society, was also inspected by UK port-state-control (PSC) inspectors and detained on Wednesday. The UK's Maritime Coastguard Agency (MCA) would not reveal more information about the ship other than it had been detained for ISM code deficiencies. The ship has a further recent detention against its name. It was held last December in La Spezia, Italy, for five days with 13 deficiencies for breaches of the ISM code.

By signing the document the crew agreed they were "happy and satisfied with our master, owners and manning agents. We are happy and satisfied with the

ship's manager, Athens-based Initium Ship Management, would not comment on the detention.

The ITF is also questioning a move by the owner to get each member of the 24-strong Filipino crew to sign a document while at sea on 18 January stating they were happy with their employers, which suggests all was not well on board.

By signing the document the crew agreed they were "happy and satisfied with our master, owners and manning agents. We are happy and satisfied with the

living and working conditions on board. We declare also that we do not need any assistance by ITF representatives".

The ITF has copies of the document. Local representative Bill Anderson said: "This paper is a joke. So they're happy with their quarters, are they? Why did the MCA take one look at them and detain the ship immediately? This crew is living in fear of taking this ship to sea. This futile attempt by the owners to force them to say otherwise is a nasty way of cutting them off from aid and keeping them quiet."

## Lawyer issues warning following French ruling

Adam Corbett London



FRENCH RULING: The stern section of the "Erika" as it floundered in heavy seas off the coast of Brest, France, in December 1999 Photo: Scanpix

Charterers and shipmanagers of all descriptions should be careful, as they are likely to find themselves more liable for prosecution in pollution cases following the Erika judgement, according to a London-based lawyer at Clyde & Co.

The French ruling for the infamous 1999 pollution incident off the Brittany coast cast the punitive net a little wider to haul in Italian classification society Rina and the cargo owner and ship's spot charterer, Total.

Clyde & Co partner and shipping lawyer Ben Knowles says he believes the trend is set to continue to include companies in the same group as the owner, time charterer and even bareboat char-

terers of a vessel. This could even be extended to technical and commercial shipmanagers and cargo owners.

He said: "The potential liability of those involved in the carriage of goods by sea is a developing area. There is a worrying tendency to extend the categories of those involved in the carriage of potentially polluting products [and they] need to consider their legal position and the quality of their operations particularly in relation to maintenance and vetting."

Knowles also warns the deeper an owners' pockets, the more likely fines can be met and the more likely the prospect of prosecution.

Another worrying development is the tendency of local ju-

risdictions to bring their own national laws into play rather than international conventions. The French court based its prosecution on the 1983 French anti-pollution law rather than Marpol.

Total has said it will appeal the French court verdict that it failed to implement its own vetting policy.

Knowles said: "Total has asked, perhaps with some justification, how it could be found guilty for shortcomings in a procedure that it had introduced voluntarily in order to improve its shipping safety standards." Total has agreed to pay EUR 192m (\$284m) in fines, for which it is jointly liable with Rina, the ship's owner, Giuseppe Savarese, and technical manager Antonio Pollara.

# INDEX

If you know of a casualty, delay or detention, inform Off Course by contacting Adam Corbett in London. Phone: +44 (0)207 842 2729; fax: +44 (0)207 842 2725; e-mail: adam.corbett@tradewinds.no

## Japanese talk up corrosion-resistant steel

Adam Corbett and Irene Ang London and Singapore

Regulators are being forced to take a Japanese idea that corrosion-resistant steel can provide an acceptable alternative to coatings in oil-tanker cargo tanks more seriously following successful trials.

Mitsui OSK Lines (MOL) announced this week that it is ready to use a corrosion-resistant steel that it has jointly developed with JFE Steel Corp after a five-year development project.

The shipping company plans to apply the steel in the top and bottom of cargo tanks of a VLCC now under construction at IHI Marine United.

MOL estimates the cost of the steel comes to about 1% of the total construction cost and, given big savings on maintenance and coatings application that are no longer required, and is price competitive.

It claims the product will slow down pitting to one-fifth of the

level normally experienced, combats even general corrosion on the upper plate of cargo tanks, shows good weldability and will reduce dry-dock maintenance.

The MOL findings come hot on the heels of a similar project developed by NYK and Nippon Steel that NYK is now applying to all its crude-tanker newbuildings.

While coatings on the cargo tanks are not mandatory, a joint industry and International Association of Classification Societies (IACS) working group has tabled a proposal for a coatings performance standard in oil-tanker cargo tanks. The standard would apply to the top and bottom of cargo tanks, which are the areas most vulnerable to corrosion.

MOL technical-development manager Takao Kashiwagi reckons the new steel plate fits the bill. He said: "For tankers adopting this new corrosion-resistant material, which does not require painting, it offers economic and safety benefits and helps to re-

duce CO<sub>2</sub> [carbon dioxide] emissions."

The matter is now going forward at the International Maritime Organisation (IMO) and the Japanese delegation is pushing the anti-corrosion steel idea as an alternative to a coatings standard. An insider told TradeWinds: "There is still a lot of verification to be done with the Japanese steel idea and it will have to show equivalent performance to a coatings standard to be accepted. And there are some questions that will be asked such as how well it welds with conventional steel."

Japan is currently trying to win the support of South Korea at the IMO to back its plan to make corrosion-resistant steel an alternative to coatings standards.

The Japanese steel does not, however, show the same anti-corrosion performance in ballast tanks and will not be used to replace the existing performance standards for protective coatings (PSPC) for that area introduced last year.

## IN BRIEF

### Bridge failings led to collision

The bridge team on a products tanker and vessel-traffic services (VTS) have been criticised in a report into an accident involving a general cargohop off the UK.

The UK's Marine Accident Investigation Branch (Maib) says the 3,800-dwt James Fisher products tanker Audacity (built 1997) was involved in the collision with the 16,500-dwt Panamanian general cargohop Leonis (built 1979) in very poor visibility in the precautionary area at the entrance to the Humber River last April.

Both vessels sustained damage to their bows but there were no injuries or pollution.

The tanker had been outward bound from Immingham Oil Terminal and was approaching the precautionary area in order to disembark a pilot. The Leonis had en-

tered the area from seaward and the pilot has just come on board.

The Maib investigation found that the operation of the bridge team on the Audacity was inadequate and the extent of the VTS area and VTS powers was not clearly understood by the VTS operators.

The pilots and bridge teams on both vessels did not make a full assessment of the risk of collision, it adds.

### Navy to the rescue

Twelve seafarers had to be rescued from their vessel by a German naval ship after it got caught in a storm and lost containers off the coast of Lebanon.

The naval vessel Bayern answered a distress signal from the 3,689-dwt general cargohop Gevo Victory (built 1976) early on Tuesday with crew members saying it was taking on water.

The Lebanon-flag ship encountered 10-knot winds and five-metre-high waves at

about 4am on Tuesday as it carried a cargo of containers from Alexandria to Beirut. After it lost some of its cargo overboard, the captain decided to issue a distress signal in order to abandon the vessel.

The ship is now under tow to the Lebanese capital.

### Maersk monster runs into trouble

Tugs have aided a Maersk Line-owned post-panamax boxship to a Spanish port after it reportedly suffered problems in the Mediterranean.

The 13,500-teu Elly Maersk (built 2007) was 16 kilometres (10 miles) off the southern port of Algeciras when it called for assistance.

Local media did not specify what led the master to seek help.

The vessel is the newest in a series of eight giant containerhips built at Denmark's Odense Steel Shipyard.

## BP Shipping commissions Weathernews

Adam Corbett London



WEATHERNEWS: Advising BP Shipping on best routes Website: Weathernews

BP Shipping is hoping to improve its environmental performance by asking weather forecasters to help it improve safety and reduce its fuel consumption and emissions.

The shipping arm of oil major BP has taken on meteorological company Weathernews to offer safe and optimum weather-routing services to its fleet of 77 owned ships. The tally is set to expand to more than 100 ships when its newbuilding programme is completed.

Based on a trial run, both parties are claiming the move will help BP to reduce its total fleet emissions by 4%.

The weather advice will be based on providing the safest and most energy-efficient route. BP is not the first to use Weathernews to help improve safety.

Japanese shipowner Mitsui OSK Lines (MOL) recently developed a global ports weather-forecasting facility with Weathernews after it suffered a series of expensive losses and casualties partly because of slow reactions to the weather.

BP has been publicising its proactive environmental programme for shipping of the oil majors but the expansion of its

owned fleet means its carbon footprint is getting bigger.

Between 2005 and 2006, the company's carbon-dioxide (CO<sub>2</sub>) output increased from 3.3 million metric tonnes (mt) to 3.8 million mt but in terms of mt of cargo per mile transported, it actually fell marginally.

The company has committed itself to a 10% reduction in greenhouse gases over five years.

Company/person	Page	Company/person	Page
Adam, Guy	5	Kollakis, Lou	25
Aide Cruises	9	Korea Gas Corp	16
Alafouzou, John	26	Kulkarni, SS	27
Allied Maritime Services	4	Larsen & Tourbo (L&T)	28
American Club	24	Lazard Capital Markets	30
Anderson, Bill	42	Lee, SJ	18
Andreassen, Tor Erik	15	Lloyd's Register	10
Angelakis, Yannis	26	Maersk Line	12, 14, 42
Aon	15	Magalhães, Manuel	10
AP Moller-Maersk	14	Maib	42
APL	12	Malaysian Merchant Marine (MMM)	28
Ariston Navigation	25	Marinakis, Evangelos	24
Arlington Tankers	28	Marinis, Dimitris	8
Arntzen, Morten	30	Maritime Capital Partners (MCP)	6
Axa	15	Matsui, Takeshi	30
Bacolis, Vassilis	24	Mediterranean Shipping Co (MSC)	12, 14
Baggaley, Philip	30	Meiji Shipping	8, 28
Behrendt, Michael	10	Merrill Lynch	30
Belarusian	42	Meyer Werft	9
Bergeron, Scott	18	MISC	16
Bernanke, Ben	2	Mitsubishi Corp	16
Bezborodov, Alexei	8	Mitsui & Co	16
Bharati Shipyard	28	Mitsui Engineering & Shipbuilding	8
BHP Billiton	4, 16, 18	Mitsui OSK Lines (MOL)	42
Bjornadal, Ronny	28	Motion Maritime	6
Blackstone	30	Morken, Magne	5
Boyd, Natasha	30	National Iranian Tanker Co (NITC)	7
BP Shipping	43	Nippon Yusen Kaisha (NYK)	31
Britannia Bulk	4	Nordea	28, 30
Bronder, Joakim	22	Norwegian Hull Club	15
Brookes, Edmund	22	Ocean Traffic Corp	18
Brown, Captain Thomas	21	Odjell SE	30
BW Gas	5	Oldendorff Carriers	6
Cantor Fitzgerald	30	Olivier, Alan	27
Capital Ship Management	24	Onomichi Dockyard	8
Chartworld	25	Orient Shipyard	10
Cheslin, David	22	Oriental Shipping Group	3
China Classification Society (CCS)	42	Overseas Shipholding Group (OSG)	6, 30
China Shipping Group (CSG)	3	Pakri Tankers	18
Citibank	4	Pars Petrochemicals Shipping (PSPC)	10
Citigroup	27	Pateras, Nikos	26
Clacy, Philip	5	Pateras, Stephanos D	26
Clerc, Vincent	23	Pettersen, Jan Haakon	5
Clinch, Stephen	12	Pioneer Tankers	25
Clipper Group	9	Pipavav Shipyard	30
Clyde & Co	42	Polemis, Adam	26
Coastlink	22	Portline	10
Codelco	16	Prevezanou, Maria	25
Cosbulk	3	Repsol	16
Cosco Shipyard	18	Rina	42
Cosco	3	Rio Tinto	4
Costamare Shipping	11	Riseborough, Rod	12
CSAV Norasia	12	Romanov, Konstantin	8
CSC Shenzhen	8	RS Platou (Asia)	18
Daiichi Chuo Kisen	31	Safmarine	14
DCT Gdansk	22	Sailors' Society	26
Dealogic	28	Samsung Heavy Industries	8
Deep Water Shipping Co	16	Sanko Lines	30
Deutsche Bank	18	Schienvin, Dag	11
DFDS	30	Seatrek Trans	18
Dunelm Public Relations	5	Sekkesaeter, Geir	11
Dur, Urs	22	Seychelles Petroleum Co	5
Dushas, Sotiris	4	Sheth, Bharat	28
DVB	44	Shipping Corp of India (SCI)	28
Eastwind Maritime	18	Shiptalk	21
Egeland, Jostein	15	Shreyas Shipping & Logistics	28
Elias, Alfredo	16	SK Shipping	3
Erch, Nils	12	Skuld	15, 24
Evergreen	12	Solvang	5
Evgenides, Leonidas	26	Spendlove, Peter	24
Evmar Marine	25	SPP Shipbuilding	4
Excel Maritime	31	ST Shipping	7
Fredriksen, John	2, 4	Standard & Poor's	30
Gaillon Group	30	Star Bulk Carriers	30
Gao, Yanming	26	Statolith Hydro	17
Gard	15, 22, 24	STX Shipping	16
Gazprom	7	Suez	31
Gibsons	3	Taiwan Maritime Transport (TMT)	7
Gilmour Research	21	Takahashi, Nakao	18
Glory Wealth	4	Tallink	27
GMS	14	Tanker Pacific	3, 6
Golden Ocean Group	4, 30	Target Marine	4
Grand Union	11	TBS International	31
Great Eastern Shipping	28	Teakay Shipping	6
Grindrod	27	Tethys Trading	18
GS Coltex	3	ITF	42
Guddal, Chisten	24	Thomas Miller	24
Gutormsen, Thor Jorgen	14	Tokyo LNG Tanker Co (TLTC)	42
Haji-Ioannou, Polys	6	Total	42
Hanjin Shipping	10	Townson, Hugh	24
Harris, Mark	6	Transpacific Stabilisation Agreement	12
Hebel Ocean Shipping Co (Hosco)	3, 26	Tsakos Energy Navigation (TEN)	7
Hinchiffe, Peter	22	Tsakos, Captain Panayiotis	26
Hoegh Autolines	9	Tsirigakis, Alexis	30
Hughes, Joe	24	Tsuji Heavy Industries	9
Hydra	24	UK Chamber of Shipping	22
Hyundai Heavy Industries	16	UK Club	24
Hyundai Merchant Marine	3	Maib	23
Hyundai Mipo Dockyard	28	Ungerer, Michael	9
Ibramar Schiffahrts	28	Unicom Shipping	27
Insa	27	Unifeeder	23
International Chamber of Shipping	22	Union Fenosa	16
International Salvage Union (ISU)	42	United Arab Chemical Carriers (UACC)	6
Islamic Republic of Iran Shipping Lines	7, 10	V-Ships	18
Jacobsen, Douglas	24	Vanselow, Jorg	22
Jebesen, Bjorn	18	Veniamis, Theodore	26
Jebesen Trans-Pacific Shipping Services	28	Vgenopoulos, Andreas	26
Jensen, Frank	9, 28	Vyborg Shipyard	8
JFE Steel Corp	42	Wage, Niels	18
JH Shipping	18	Weathernews	43
Jinli Shipping	7	Webber, Jan	26
Joshi, SA	8	WEM Lines	8
Kamperman, Fred	22	West Asia Maritime (WMA)	7
Karlsen, Anders R	11	Widows, Ronald	12
Kawasaki Heavy Industries	26	Wilhelmsen Maritime Services (WMS)	11
Kheron Shipyard	18	Barber Ship Management	11
Knowles, Ben	42	Witte, Arnold	42
		Xylas, John	25, 26
		Zim Integrated Shipping Services	12