



SAMUNDERI LAHREN

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Fraud Case Raises Class Stakes

LLOYD'S REGISTER is preparing to fight allegations in the London High Court that it fraudulently allowed a ship with clear and serious structural faults to pass special survey. The case is understood to be the first time an owner has been able to bring the serious allegation of fraud against a class society to the commercial courts in a sale-and-purchase deal and is being closely watched for its implications. The case has been brought by Singapore's Tough Trader Maritime, which argues it had to carry out repairs on the 15,200-dwt handy size bulker TOUGH TRADER (ex-PANGANI, built 1980) 10 months after it had been given a clean bill of health by the UK classification society. The company says the deterioration of the ship's condition between inspections could not be attributed to "natural wastage".

Tough Trader alleges LR surveyors made fraudulent representations that the vessel was fit to pass special survey, knowing that they were false, or alternatively that they were recklessly made without any genuine belief they were true.

Another recent case brought by an owner against Norway's Det Norske Veritas (DNV) in the US courts. The case involved Hellenic Investment Fund Inc vs DNV over the purchase of the 34,000-dwt bulker TRANQUILLITY (built 1982). The owner said it relied on the class society's "+A1 Bulk Carrier Enhanced Survey Programme (ESP)" certification on behalf of the seller when it bought the ship. But the vessel fell foul of port-state control shortly after the sale, clocking up a painful 189-day detention in Canada for 72 deficiencies and \$2m in damages for the owner.

There have also been instances of negligent certification brought in casualty incidents such as that of the 81,000-dwt tanker PRESTIGE (built 1976). That case again was dismissed on a technicality before the evidence was heard.

GL eyes takeovers in growth agenda

Asia is top target for industrial services expansion.

Germanischer Lloyd has stressed that it is seeking further growth, with particular focus on the industrial services division. GL bought some companies last year to complement its portfolio in industrial services, for example, for the offshore industries. Since Hamburg-based businessman Günter Herz took over GL in late 2006, the transition to strong growth is not the only novelty. However, Mr. Klein was eager to underline that the society's dominant role in containership classification has continued to develop. The market share in the orderbook, in gt, had risen from 35.4% to 45.3%, he said. At the same time, GL now has the highest share of the world's total orderbook at 12.8%, though this time referring to the number of vessels on order. With the fleet in operation, GL improved from 8.8% to 9.0%, ranking it third.

21% of world's oil tankers and 14% of chemtankers in Greek hands

Greeks may not have been so prominent in modern tankers during the early years after ships specially built for transporting oil in their tanks rather than in drums made their first appearance in the late 19th century. But, starting with Onassis' first supertanker exploits either side of the Second World War, they have dominated the latter half of the story of tanker shipping up to the present day — contributing some of the industry's most powerful characters and establishing their present-day position as collectively the largest tanker owning nationality. Greek parent companies still own about 21% of the world's oil tanker tonnage — counting vessels in the water and on order. They also have a growing share of chemical and product tanker capacity — 14%, the survey says. Overall, Greeks are said to control about 1,270 tankers of more than 1,000 gt, with nearly 400 of these yet to emerge from the shipyard. A typical Greek owned crude tanker is nowadays younger than nine years old, with the average for product and chemicals tonnage being even lower at just seven years of age.

London Braced for Exodus

London's maritime community is braced for a mass exodus after the Chancellor ignored industry advice and went ahead with plans to impose a levy on wealthy foreign residents. Alistair Darling's decision to hit non-domiciles with a £30,000 (\$59,540) annual charge is a threat to London's status as a world's leading maritime centre, industry figures say. The effect of this move will be to cause the large-scale departure of shipping businesses and massive fallout in maritime services. The news is that most of the Greeks are exploring the option of moving aboard. It will be a migration which will gather momentum. Greek shipping minister has warned that London's loss will be Athens' gain and says he will welcome with open arms ship owners looking to make a swift exit from the UK. Monaco, Cyprus, Singapore and Geneva will be equally attractive options for shipping companies.

California emissions rule overturned

The U.S. 9th Circuit Court of Appeals in San Francisco yesterday barred California's Air Resources Board from enforcing a rule that requires ships to use low-sulphur fuel in auxiliary diesel engines within 24 miles of the coast. "The restrictions took effect in January 2007 but were blocked in August by a federal judge, who said California needed approval from the U.S. Environmental Protection Agency before enforcing clean-air standards," reports the San Francisco Chronicle. "The appeals court allowed the limits to go back into effect in October, but the three-judge panel ruled Wednesday that the low-sulphur requirements are standards that require EPA approval."

Exxon Valdez Tells Top Court Captain was to Blame

Oil giant ExxonMobil urged the US Supreme Court to cancel a 2.5-billion-dollar compensation award for the huge 1989 Exxon Valdez spill in Alaska, blaming the ship's captain for the disaster. The US justices appeared to be divided on the case which has dragged through the courts for the past two decades. Among the issues to be weighed by the court is whether Exxon can be punished under maritime law for the actions of the ship's captain, Joseph Hazelwood, who against company rules had left the bridge while on duty. Prosecutors also maintained that Hazelwood was drunk when the ship ran aground on 24 March 1989, although he has denied the charge and was acquitted in criminal court. An attorney for the oil giant, argued before the justices that ExxonMobil should not be expected to pay billions of dollars in penalties "simply because against its policy rules Mr. Hazelwood left the deck." "They can hire fit and competent people," Hazelwood's attorney argued. He said Hazelwood was an alcoholic who had been drinking on board the tanker, something which Exxon knew about even though it violated their rules. After the disaster "the captain was fired, but everybody else in the chain of command who allowed this to happen; received bonuses. Apart from adopting a policy, they need to implement it."

Engineer admits magic pipe guilt

The former chief engineer of a US-flagged car carrier has pleaded guilty to the deliberate discharge of oil-contaminated bilge waste through a "magic pipe" bypass. Patrick Brown, who worked on the 47,000-gt Fidelio (built 1987, now called Patriot), admitted conspiracy and making a false statement in a ship's oil record book. Brown was employed by US operator Pacific Gulf Marine (PGM), which had previously pleaded guilty to a role in deliberately discharging hundreds of thousands of gallons of oil-contaminated bilge waste from four of its ships over a period of up to nine years, including from Fidelio. Brown admitted using the magic pipe device from 1994, when he started on Fidelio under a previous manager, up to 2003, when the bypass was found by the USCG. Inspectors lifted a deck plate and found a permanently installed bypass pipe on the Fidelio that was part of the ship's original construction. It was full of oil. Brown also said the oily water separator was "rarely if ever used", except for demonstrating its functions during USCG inspections.

Top 10 Ship Managers

	Full	Crew	Tech	TOTAL
V. Ships	415	560	-	975
Bernard Schulte	295	325	-	620
Columbia	130	220	-	350
Anglo Eastern	250	80	-	330
Barber	156	144	-	300
Wallem	-	-	-	280
EMS	120	113	-	233
Thome	75	150	-	225
Fleet	179	2	11	192
Dobson	-	-	-	100

Incentive Schemes on Offer for Top Seafarers

Managers look to attract and keep best in the business with added extras.

With the supply of quality seafarers increasingly strained, the retention of this valuable resource is increasingly important. The buzzword now is incentive and most ship managers have developed different incentive schemes for different clients and where appropriate for vessels operating in different sectors. These can include salaried employment (as opposed to day-rate or voyage contracts), returning bonus, loyalty bonus, private medical cover for the seafarer and their family, enhanced classes of travel and email access.

“The quality of a ship’s performance is only as good as the quality of the seafarer it employs, which makes the seafarer the principal asset of any ship manager. That is why great attention is being given to human resource marine initiatives. We encourage better bonding through improved public relations with seafarers, as well as their families; consideration of financial incentives as an alternative to escalating salaries, and investments in the skill enhancement of officers and ratings. Enhancing seafarers’ skills and training is high on most ship managers’ priorities as is career development.

One management company said “We have our own crewing offices in India, the Philippines, north Europe and east Europe, giving us a good spread to cover the major geographical regions. As a result, we now have a pool of more than 6,000 seafarers with a retention rate of around 80%. We continue to develop our existing offices and also look at new areas to cover. We also have our own training centres in India, the Baltics and the Philippines and continuously aim at enhancing the courses offered.”

A factor promoting retention at Unicom is that the company offers its captains and chief engineers, with a 10-year track record free from any involvement in maritime accidents or pollution incidents, the guarantee of a career onshore.

Crane Carnage Clobbers Felixstowe

Felixstowe was shovelling up the pieces recently after two box cranes collapsed into mangled metal after a vessel delivering three new gantry container cranes to the UK port broke free of its moorings in high winds at the weekend. The ABS-classed, semi-submersible ZHEN HUA 23, with a total of five new cranes on board, made contact with the dockside of Felixstowe’s Landguard Terminal at around 2am on Saturday morning, a time when operations at the south east port had been suspended due to 80mph gusts sweeping the area. No one was injured during the incident. It is understood that a bulk crane on board the ZHEN HUA 23 made contact with the number two Landguard crane, causing it to collapse. A second Landguard crane collapsed soon after. Both Landguard cranes are a write-off. A spokesperson for Hutchison Port Holdings, owner of Felixstowe, said that the ZPMC vessel was transporting three gantry cranes for Felixstowe, as well as one gantry crane for Thamesport. The fifth crane was heading to an undisclosed Scandinavian port. The Hutchison spokesman stressed that the port’s Far East container operations on the Trinity Terminal were unaffected by the collapse and that all four container cranes on the ZHEN HUA 23 were undamaged. The container cranes on the ship are believed to be super post-panamax equipment able to span vessels 22 boxes wide, and each with an estimated value of £4m. The Hutchison spokesperson said: “The cranes on the Landguard terminal were not new, in fact they were 24 years and 12 years old. They worked at the shallower berths, mainly on short sea services. These are just two cranes out of a total of 28 at Felixstowe. The deep sea Far East container services are not affected by this incident.” Contingency plans were being put into place to handle services which normally call at the affected Landguard terminal.

Bill calls for double hulls

A US lawmaker has introduced legislation that would demand double-hulls on bunker tanks, among other proposed requirements aimed at spill prevention. The proposal would require the double hull bunker tanks on non-tank ships, a response to the November bunker spill from the 5,447-teu containership Cosco Busan (built 2001) in San Francisco Bay. The bill also aims to beef up the US Coast Guard’s medical review process for licensing pilots and seafarers, and it requires the agency to improve vessel tracking.

“The last thing America needs is another Exxon Valdez. We cannot let our coastlines, our wildlife or our economy suffer the catastrophic effects of another oil spill,” Lautenberg said in a statement. “My bill would modernize our vessels, tracking and licensing, so we can be more confident in the safety of our ocean shipping and help prevent future spills.”

Vessel disappearance investigated

The IMB’s Piracy Reporting Centre is trying to discover the fate of the missing Panamanian ship Rezzak, which disappeared in the Black Sea on 18 February. No distress signals were received from the 5,100dwt cargo vessel, which was bound for Turkey from Russia and had a crew of 25 Indians. Head of the Centre confirmed that the office of India’s Director-General of Shipping in Mumbai had requested the assistance of the IMB in locating the ship. IMB stressed that the area is “not piracy prone” and added that the IMB is willing to assist and would use its vast network of contacts to help trace the vessel, once more information was obtained.

Panama and Turkey are said to be conducting their own investigations.

Listening for Early Warning of Corrosion Problems

Acoustic emissions technology has the potential to refine surveying practice by focusing on high-risk areas. Anyone who has ever spent time on a ship will have experienced the various creaks and groans and other noises that emanate from the hull of a vessel and thought little about them. But a research project suggests that 'listening' to a ship could yield valuable data that can be used to detect potentially dangerous corrosion and cracking in its structure. The noises in question are not those that can be detected by the human ear, but are acoustic emissions caused by what is described as "stress-releasing events" that can signify that potentially dangerous cracking in the hull has been initiated. The acoustic emissions sensors used in the project are entirely passive in nature – no acoustic energy is transmitted by the sensors, they simply 'listen' to the hull and sophisticated software is used to analyse the resulting data. The sensors can electronically detect rapid stress-releasing events, such as the release of elastic energy in materials, which then becomes an 'elastic wave'. They are extremely sensitive and can pick up events at a microscopic level. The signals are then amplified and fed to a signal processing and interpretation unit.

In addition, the monitoring of acoustic emissions is non-invasive. Areas of a ship do not need to be shut down or rendered gas-free, as they do when someone is sent into a tank to inspect it. The sensors can also be installed in areas that are difficult to access on a regular basis and then simply left to do their job. A typical testing system will comprise the following:

- A sensor that converts a stress (sound) wave to an electrical signal
- A low noise amplifier that raises the signal to a usable level
- Signal-processing electronics for feature extraction and waveform capture
- Microprocessor and DSP-based parallel distributing processing instrumentation
- Knowledge-based software for easy analysis, defect correlation and development of expert systems that comply with demanding AE standards
- Decision and feedback electronics that utilise the information received.

FLOTSAM & JETSAM

A husband reluctantly agreed to play in the couples' alternate shot tournament at his club. He teed off on the first hole, a par four, and blistered a drive 300 yards down the middle of the fairway. Upon reaching the ball, the husband said to his wife, 'Just hit it toward the green, anywhere around there will be fine.'

The wife proceeded to shank the ball deep into the woods.

Undaunted, the husband said 'That's OK, Sweetheart' and spent the full five minutes looking for the ball. He found it just in time, but in a horrible position. He played the shot of his life to get the ball within two feet of the hole. He told his wife to knock the ball in. His wife then proceeded to knock the ball off the green and into a bunker. Still maintaining composure, the husband summoned all of his skill and holed the shot from the bunker.

He took the ball out of the cup and while walking off the green, put his arm around his wife and calmly said, 'Honey, that was a bogey, and that's OK, but I think we can do better on the next hole.'

To which she replied: 'Listen a...hole, don't bitch at me, only 2 of those 5 shots were mine.'

