

## ISU puts forward plan for a new Lloyd's Form

**The Lloyd's Salvage Group's Subcommittee on Environmental Salvage met for the first time on July 18. During the meeting ISU Legal Adviser Archie Bishop (right) outlined the case for Environmental Awards for pollution prevention.**



He said that the international salvage community continued to struggle with the steady decline in workload. There were 255 Lloyd's Form salvage cases in 1980 but only 80 in 2006. The trend is confirmed by the fact that ISU members were involved in only 35 LOF cases in the first half of 2007. Furthermore, many salvors have been absorbed as part of the significant consolidation seen within the salvage industry over the past decade.

Yet the industry continues to deliver vital services for pollution prevention. Statistics from the International Tanker Owners' Pollution Federation reveal that 520,000 tonnes of oil was lost from ship casualties in the 1994-2006 period.

The cost was measured in billions of dollars. In the same period ISU salvors recovered 20 times that amount – over 10 million tonnes of cargo oil from ships in difficulty.

In 2006 alone, ISU salvors recovered 566,000 tonnes of pollutants – more than the total amount of oil spilt in the past 13 years. Archie Bishop said that spill prevention is so crucial to the international community that more financial commitment to this service is now essential. Too much was at stake to allow spill prevention coverage around the world to decline.

In a significant new development, the ISU has requested the Subcommittee on Environmental Salvage to form a special Working Group, with the aim of drafting a new edition of Lloyd's Form. This would introduce a range of improvements, including Environmental Awards.

Commenting on the outcome of the July meeting, Archie Bishop said: "This is a long-term project but we will make progress. There will be another meeting next month. Meanwhile, the ISU will provide more statistical information on the industry's operational status."

### ISU UPDATE

#### ■ European Court hearing

A European Court hearing for the marine industry's legal challenge to the EU's Ship Source Pollution Directive is set for September 25. The ISU is a member of this industry coalition.

#### ■ Witte for American Club

ISU Vice-President Arnold Witte has been elected Chairman of The



American Club, with effect from June 14. He succeeds Paul Sa, of Standard Shipping, Inc., New York.

#### ■ Salvage Convention call

The ISU has called on the Comité Maritime International (CMI) to begin drafting a revised Salvage Convention. The ISU has put forward views on the content of a new Salvage Convention, with particular emphasis on provisions concerned with environmental salvage.

*Refloated: during early July SVITZER Salvage succeeded in freeing the grounded Pasha Bulker from a beach near Newcastle, Australia. The refloating was achieved by weight redistribution, combined with the use of ground tackle and tugs.*



## CMI unveils draft convention on places of refuge

The ISU is preparing a response to the Comité Maritime International's recently produced draft International Convention on Places of Refuge. The draft received initial consideration at the ISU's June Executive Committee meeting in London.



The draft Convention, developed by a CMI Subcommittee chaired by Stuart Hethrington, has 10 main headings. They include: the legal obligation to grant access; immunity from liability where access is granted reasonably; liability to another state or third party where refusal of access is unreasonable; and liability to the shipowner where refusal of access is unreasonable.

This convention would make mandatory the key elements of the International Maritime Organization's International Guidelines on Places of Refuge. These guidelines were adopted in December 2003, following the loss of the tanker Prestige and a catastrophic spill on the Spanish coast.

Clause 4 of the Convention draft makes interesting, if rather challenging, reading. It states: "If a state or competent authority refuses to grant access to a place of refuge to a ship in need of assistance and damage is caused to another state or third party or their property by reason of such refusal and the state or competent authority which refused access is unable to establish that it acted reasonably in refusing such access and it is demonstrated by the other state or third party that the damage caused would have been unlikely to have been occasioned if access had been granted the state or competent authority when requested by the Master or other person acting on behalf of the ship owner, which refused access shall be liable to compensate the other state or third party for its loss and damage."

The document has been circulated for comment prior to the October 2008 CMI meeting in Athens. During the preliminary discussion at the June ISU

### ASSOCIATES' NEWSROUND

#### MOL training vessel

Spirit of MOL (pictured below) was launched in July. MOL's first training vessel was built at Tsuneishi Shipbuilding, Fukuyama, Hiroshima Prefecture. The company said that the launch of Spirit of MOL is key to its efforts to reinforce the safety of vessel operations. The new ship has a training bridge above the actual bridge. It also has 10 full-time instructors, providing education and practical training for 180 trainees at a time. The cadets are to be drawn from various nations, including the Philippines, India, Russia, China, Indonesia and Vietnam.



#### Rating upgrade

Skuld's rating from Standard & Poor's has been upgraded, from BBB+ to A-. Standard & Poor's said: "The upgrade reflects Skuld's continued strong operating performance."

#### Dockwise fleet expands

Following the recent merger with Sealift Ltd, the new heavy lift vessel Transporter (pictured below) has joined the Dockwise fleet. Transporter is the first in a series of six vessels to be converted from single hull tankers to the heavy lift role. The last in this series of semi-submersible vessels is scheduled for delivery by end-2008.



#### Poseidon Challenge

The first Poseidon Challenge Award – launched by INTERTANKO to recognise outstanding achievement in the area of continuous improvement – will be presented at the April 2008 "Tanker Event" in Istanbul. Nominations are now invited, for submission by no later than January 1, 2008. For more information, contact: Bill Box, INTERTANKO: +44 20 7977 7023.

#### Vancouver move

Shipowners Club has purchased the Managing General Agency of Vancouver-based Waterborne Underwriting Services Limited. The Club has had a working relationship with Waterborne in the Pacific North West for a decade. The purchase strengthens the Club's strategic position in Canada.

meeting, Executive Committee members expressed support for this CMI initiative, but also voiced doubts about the practicalities of holding states to account in the way currently proposed in the Convention draft.

Andrew Dalrymple (right) stepped down as a member of the ISU's Executive Committee in June. During the meeting, ISU President Hans van Rooij thanked him for his valuable contribution to the Committee's work. Andrew Dalrymple also recently handed over the Chairmanship of the European Tugowners' Association to Boluda's Mrs Charo Coll. His links with the ETA, however, will be maintained in the role of Honorary Chairman.



## Agreement reached on increased SCOPIC rates

**Increased SCOPIC tariff rates for vessels, equipment and personnel took effect on July 1. The rates are increased by 25% for tugs and other vessels, 15% for salvors' own portable equipment and an additional 5% for personnel (following an earlier 10% increase in personnel rates, introduced on January 1 2006). The 2006 increase was the first since the 1999 commencement of SCOPIC remuneration for high risk/low value salvage operations.**

The July 1 increases for tugs, other craft and portable salvage equipment represent the first updating of rates in these areas since their introduction in 1999. The new rates, agreed by the International Group of P&I Clubs and endorsed by property underwriters and owners, will continue until end-2010.



Commenting on the increases, ISU President Hans van Rooij (left) said: "The importance of

SCOPIC is that it provides the all-important financial incentive when salvors are confronted with cases which might otherwise lack financial viability. Given society's zero tolerance of pollution, it is important that salvors have this incentive to respond to all casualty-related pollution threats – even when property values are low and the risks are high.

"The fact that the international P&I community has agreed to an increase in the SCOPIC tariff confirms this system's valuable role in preventing damage to the marine environment. The decision also contributes to the maintenance of high levels of salvage service. I welcome this positive outcome of talks with our industry partners – P&I Clubs, shipowners and property insurers."

During the discussions leading up to the agreement between the parties, it was decided that a mutually acceptable SCOPIC review procedure should be introduced, in good time for the next review.

## MEMBERS' NEWSROUND

### ■ Fairmount acquired

Louis Dreyfus Armateurs (LDA) announced its acquisition of Fairmount Marine, the Dutch long-haul ocean towage specialist, in late May. LDA described Fairmount as "an ideal complement" to its range of offshore industry support services. Over the past three years Fairmount's fleet has been reinforced with the delivery of five 200 tonnes bollard pull long distance towing and salvage tugs. The acquisition announcement referred to plans for further fleet expansion, involving two semi-submersible barges and several tugs in the 280 tonnes bollard pull class.

### ■ Secunda and J. Ray

Secunda International Limited of Nova Scotia announced in June an agreement to "sell substantially all its assets" to J. Ray McDermott. This includes 14 multi-functional vessels (the majority of Secunda's fleet) used for subsea construction, pipelay, cablelay and diving support. Secunda crews continue to operate these vessels and the office remains in Dartmouth, Nova Scotia.

### ■ New Swire vessels

During June Swire Pacific Offshore announced an order for four large AHTSVs (see below). These 18,250 bhp, 200 tonnes bollard pull vessels are to be built at Pan-United Marine's Singapore yard and are for delivery in 2010 and 2011.



### ■ New SMIT tugs

June also saw SMIT and Damen Shipyards sign a contract for four Damen 3213 ASD tugs. The 80 tonnes bollard pull vessels represent a new class developed by Damen and SMIT for harbour towage and

terminal duties. Delivery of the first two newbuildings is scheduled for July 2009, followed by the remaining pair six months later.

### ■ Multraship fleet

In addition, June saw Multraship acquire two ASD newbuildings, for delivery this October and in April of next year. The 70 tonnes bollard pull units are currently under construction at a Turkish yard. Multraship also has two newbuildings under construction in Malaysia, for 2008/9 delivery.

### ■ Fishing vessel recovered

Donjon Marine's operations this year included the recovery of a fishing vessel (below), lost in Nantucket Sound during January. Sadly, the Lady of Grace's four-man crew lost their lives. Donjon deployed a 400 tonnes lift capacity derrick barge and a 7,000 hp tug for this assignment. The vessel was recovered, placed on the deck of the derrick barge and delivered to Donjon's scrap facility at Staten Island.



### ■ MCT tug sold

Maritime Consortium of Thessaloniki has sold the 120 tonnes bollard pull tug Zouros Hellas. The 9,600 bhp tug has been purchased by another Greek company.

### ■ Yacht saved

Alfons Håkans responded in June to the Russian-flagged yacht Julia, which grounded outside Helsinki port. The company obtained a Lloyd's Form. The yacht was found to be heavily aground. Nevertheless, the salvage team refloated the yacht, which was subsequently lifted ashore for redelivery.

*Destination Sakhalin: during June four Semco tugs – including two newbuildings – commenced a major towage assignment from Korea to Sakhalin, Russia. They towed the Samsung TCB2, laden with a 29,600 tonnes topsides module, from Geoje, Korea, to the Piltun-Astokhskoye B Field, north-east of Sakhalin. The units deployed were Salvicount, Salveritas and Salviceroy, with Salvanguard in the escort role. On arrival, the tugs assisted in the positioning of the barge.*



## Plans to celebrate LOF centenary

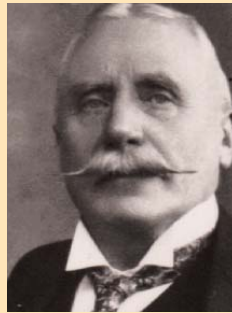
**Work has begun on a programme of events to mark the centenary of Lloyd's Form in 2008. The ISU is planning a number of events in London and other shipping centres, including Oslo, Piraeus and Singapore. Some of the events will be organised jointly with Lloyd's.**

After 100 years of use, LOF remains the world's most frequently used salvage contract. In the 1978-2005 period, ISU members performed 5,135 salvage operations, 2,701 (52 per cent) under LOF contracts.

LOF's benefits become clear whenever there is a severe threat to ship, cargo and the environment. There is now an absolute imperative to prevent environmental damage. This is why LOF is more important today than at any time in its long history. With LOF agreed, the way is clear for an immediate, unfettered response.

Delays are avoided, making all the difference between success and failure.

The origins of LOF date back to the 1890s and the efforts of Colonel Sir Henry Hozier (right), then Secretary to Lloyd's, to reach an understanding with salvors in the Dardanelles/Black Sea region. This led to the introduction of a new system allowing the Committee of Lloyd's, or the Committee's appointed arbitrator, to adjust lump sums for salvage services if the amounts were considered inappropriate. In this way, a sum could be increased or reduced.

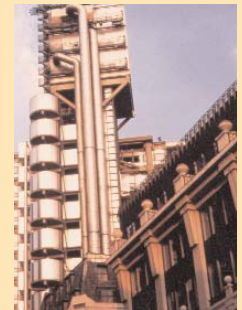


It took almost two decades, however, for a standard form of salvage contract to take hold. LOF's first edition was published in January 1908. The contract has been revised many times over the past century. In this way, it remains

fresh and fit for purpose. The current edition, LOF 2000, is the tenth since 1908.

LOF is not appropriate in every salvage situation. It is the ideal contract, however, whenever there is an immediate threat to ship, cargo and the environment – such as a fire or leakage of pollutants into the sea. LOF is the preferred solution when there is no time to lose!

The centenary of this remarkable contract will be celebrated by receptions in Oslo, Athens and Singapore, together with events in London – still very much the geographic heart of the international salvage industry. In addition, during the year ISU conference papers will be presented on the future of the LOF contract.



Impressive sight: a line-up of Crowley's tug fleet at Lake Charles, Louisiana. These vessels represent 50,000 bhp/600 tonnes bollard pull.

## Lloyd's Form Subcommittee meets

The ISU's Lloyd's Form Subcommittee met on July 5 and considered, inter alia, the ISU's contribution to the project to develop International Guidelines on Marine Casualty Management. This work is under way in association with the Maritime Safety Umbrella Operation. Richard Hill, a Consultant to the MSUO, gave a presentation on the drafting project and its objectives.

## Warning over misdeclaration

A stark warning that misdeclaration of containerised cargo could cost lives has been issued by Dr Chris Foster, of Burgoyne's. Writing in the Standard P&I Club newsletter *Standard Safety*, he said: "Possible outcomes of a contravention of the IMDG Code and the IMO Bulk Cargo Code are loss of life, injury and material damage." The ISU, on behalf of the international salvage community, has made repeated calls for an end to dangerous misdeclaration practices.



Following an emergency call Bisso Marine immediately mobilised the 600 tonnes capacity D/B Lili Bisso to Amelia, LA, to lift the Bayou Boeuf Railroad Bridge. The bridge had been struck by a tug and barge, resulting in significant damage. Upon arrival, Lili Bisso lifted the damaged 200 tonnes bridge span and placed it onto a deck barge. It was then transferred to a local repair facility. Upon completion of repairs, the D/B again lifted the repaired span and placed it back on to the deck barge. Subsequently, the span was put back on to its supports, allowing rail traffic to resume.

## MSC Napoli now the subject of a wreck removal

**SMIT Salvage succeeded in refloating the MSC Napoli during July, but the vessel was almost immediately rebached. The container vessel, which was set down off the Devon coast during a storm in January, was pumped out and raised following an operation spanning some six months. This saw the removal of 3,600 tonnes of bunkers, together with containers on deck and within the holds.**

The vessel was laden with 2,318 containers. Some deck containers were



lost during the storm. Upon refloating, however, it was found that the hull was too weak to sustain a lengthy voyage. The vessel was rebached north of her earlier position and work began to prepare the cutting of MSC Napoli into two sections, using explosive charges.

This complex and difficult salvage saga had commenced on January 18, when the containership developed problems during a vicious storm. Helicopters rescued MSC Napoli's 26 crew and the vessel was then taken in tow. The original decision to ground the ship off Branscombe was taken to avoid a sinking.

The salvage team amassed a battery of powerful pumps for the refloating operation. The pumpout rapidly removed some 58,000 tonnes of water from the flooded holds.

Following the refloating, a diving team carried out an underwater survey of the vessel. This assessment of the 4,700 TEU vessel's structural integrity led to a

decision to put her down again, to avoid the ship breaking up.

With the vessel separated into two sections, the forward section was towed away for scrapping. The stern of MSC Napoli is to be removed under a separate contract.

- Devon County Council is holding a public inquiry into the MSC Napoli incident, with a focus on Lyme Bay's role as a place of refuge. The findings of this inquiry are to be forwarded to central government, the European Commission and maritime authorities.



*Safe! A member of the crew of a disabled yacht is rescued by a team from the Dockwise semisubmersible Mighty Servant I. After picking up a distress call from the 27 ft Alize III, Mighty Servant I rescued three men at a position some 335 nautical miles south of Bermuda. The rescue was challenging, with winds of up to 30 kts and 4 m waves.*



*A Titan salvage team has been working on the removal of the wreck of the small bulk carrier Jane, which grounded in the surf zone outside the fishing port of Isohama, on the Japanese east coast. Local conditions are difficult, with a heavy Pacific swell. A jack-up barge was secured alongside the wreck and work began to remove 5,000 tonnes of coal. This operation is being managed from Titan's Singapore office. Work has been suspended until the typhoon season is over.*

### INTERNATIONAL MONITOR

#### ■ New Shipping Minister

Jim Fitzpatrick has taken over Stephen Ladyman's shipping portfolio. Mr Fitzpatrick is now the new UK Shipping Minister.

#### ■ Green Paper outcome

Formal statements on the outcome of the year-long consultation on the European Commission's Green Paper on Future Maritime Policy are expected next month (October). There will be two publications from European Commissioner Borg: one will outline the results of the consultation. The second will set out

the Commission's thinking on future maritime policy. The ISU submitted detailed proposals during the consultation period.

#### ■ Wreck removal insurance

At its session next month (October) the IMO's Legal Committee will be discussing insurance certificates. A Resolution – arising from the diplomatic conference in May which adopted the Nairobi International Convention on the Removal of Wrecks – called for the development of a model for a single insurance certificate for relevant IMO liability and compensation conventions.

## Ian Tew presents his “personal odyssey”

It hasn't been a good year for many things, but it has been a very good 12 months for excellent



new books on salvage. Following Dick Jolly's very readable book and John Julian's *The Lone Ranger Story* (about the tug Simpson), both reviewed in *Salvage World*, there is now a gripping new account of the lot of the *Salvage Master*. *Salvage, A Personal Odyssey* is a book for the connoisseur. Captain Ian Tew, the author, is well known within the close-knit international salvage community. His book – to be launched on September 15 at the International Boat Show – presents an intimate account of many memorable salvage operations.

Captain Tew has an ability to make an indelible first impression. The Editor of *Salvage World* had the opportunity to interview him in London during the 1980s. Before talking about his experiences with missile-damaged ships during the Iran-Iraq conflict, Captain Tew ordered two glasses of champagne at a comfortable table in his Club, methodically produced a swizzle stick

and made the most of the bubbles. Here was a character second to none amongst the distinguished ranks of Salvage Masters.

Part I of Tew's book deals with his “salvage apprenticeship”. It begins with a vivid and grim account of how he came close to losing his life, as a young deck cadet, in a vicious fire on board the British passenger vessel *Dara*. This was no accident. The fire resulted from the detonation of a terrorist bomb.

The horror of one of the worst peacetime disasters involving a British merchant ship since the *Titanic* remained with him, yet it did not hinder a long and distinguished seagoing career. Ian Tew obtained his Master's Ticket in 1968. He came ashore in 1973, joining a firm of Admiralty solicitors who acted for, inter alia, Selco Salvage of Singapore (now Semco). He joined Selco the following year.

Tew describes salvage operations associated with three very famous tug names: *Salvaliant*, *Salvanguard* and *Salviscount*. One fact which comes across repeatedly in the book is the way in which modern technology and communications makes life today harder, as well as easier. One example was Tew's ability, several decades ago, to drive to Heathrow at record speed – without having to worry about speed cameras!

Fittingly, the book's final account

focuses on the laden tanker *Al Ahood* (below), which was to provide Tew with the pinnacle of his distinguished salvage career. This ship was struck by two missiles at a position south of Kharg Island on May 8, 1984. The detonations produced one of the most severe shipboard fires ever faced by a salvage team.

Ian Tew never lost his taste for adventure. He went ashore in 1991, to run a small business on the south coast of England. In 1997-2001 he sailed round the world in the yacht *Independent Freedom*, retracing the route taken by his grandfather, Commander R. D. Graham, 60 years earlier.

- *Salvage, A personal Odyssey* is published in paperback by Seafarer Books, Sheridan House Inc, 145 Palisade Street, Dobbs Ferry, NY 10522, USA ([www.sheridanhouse.com](http://www.sheridanhouse.com)). Order a copy by calling: +44 1394 420789. Price: £24.95



*Fire victims: the fishing vessel Hercules (left) under tow off the Chilean coast earlier this year, after a fire that killed 11 crew members. The survivors were rescued by other vessels in the vicinity. Ultragas was contracted to tow the trawler to a safe port, after the fire was extinguished.*

### Damage time bar

In June a Dutch Court ruled in the *Zwartemeer* case. This settled a controversy concerning whether provisions relating to damage caused by a ship take precedence over other provisions which contain general principles of tort law. The controversy centred on the time bar. The general principles of tort law provide for a five-year time bar, whilst rules applicable to a collision provide for a two-year bar. The new ruling makes it clear that the two-year time bar applies. More information: Taco van der Valk, AKD Prinsen Van Wijmen: +31 10 272 5300.

## Move to Titan

Mark Hoddinott, formerly Salvage Manager with Adsteam, has joined Titan Maritime as Managing Director, Europe. He is now based at Titan's Newhaven office, in the UK. Captain Hoddinott joined United Salvage as a Salvage Master in 1982.



### OBITUARY

It is with regret that *Salvage World* records the passing of Bruce Farthing, a former Secretary-General of INTERCARGO. In the early 1980s, Bruce Farthing was instrumental in the development of INTERCARGO as an association for dry bulk cargo owners.



**Salvage World**  
This publication is produced by the International Salvage Union. Members and Associates are invited to submit material for publication. All contributions should be forwarded to Mike Lacey, ISU Secretary-General, on  
Tel: +44 (0) 20 7645 9104  
Fax: +44 (0) 20 7929 0213  
Email: [isu@marine-salvage.com](mailto:isu@marine-salvage.com)