



World's Largest "AMP" Ship Calls at Port of Los Angeles

New-generation container ship plugs-in to access "eco-friendly" on-dock electric power

The world's largest alternative maritime power (AMP) ship recently made her maiden call at the Port of Los Angeles.

The ship, China Shipping's 8,500-TEU Xin Ya Zhou, is the largest "AMP'd" vessel afloat and is the first in a series of five new vessels to join the company's new-generation fleet of "environmentally friendly" container ships.

In 2004, the port partnered with China Shipping on a project to develop the world's first utilization of shore-side electrical power for a containership at berth.



AMP capability allows the berthed ship to shut-down its diesel engine and utilize electrical power to operate its generators and other equipment. By making the switch, more than one ton of nitrogen oxides (NOx) and particulate matter (PM) can be eliminated from the air for each day the vessel is berthed.

The arrival of the Xin Ya Zhou marks the second generation of "AMP'd" vessels which can plug directly into a shore plug, where the first generation AMP vessels required a barge transformer system for plugging in.

Last November, the neighboring ports of Los Angeles and Long Beach adopted the landmark San Pedro Bay Ports Clean Air Action Plan (CAAP) to curb port-related air pollution from trucks, ships, locomotives, and other equipment by at least 45% in five years.

The plan calls for the Port of Los Angeles - currently the only port in the world implementing AMP technology - to make all its terminals AMP-ready within the next five years.

The 101,000-ton, 25-knot Xin Ya Zhou is the largest ship ever built in China and will sail on the company's weekly Central Asia-America service calling at Los Angeles, Oakland, Ningbo, Nansha, Yantian, and Shanghai.

Earlier this summer, both ports commissioned the first of a new fleet of lower-emission, clean-diesel locomotives operated by the Pacific Harbor Line, which provides switching services for port customers and dispatching for all BNSF Railway and Union Pacific trains within the ports.

The locomotives, outfitted with remanufactured engines, reportedly emit 70% less diesel particulates and 46% less smog-forming nitrogen oxides, and cut greenhouse

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gases by burning 30% less fuel.

Port of Los Angeles terminals with on-dock rail alone handled more than 1.3 million containers during 2006, or about 28% of all containers handled at the port last year.

The \$23 million cost for the new "eco-friendly" locomotives is being shared by PHL (\$10 million) and the ports (\$5 million each), with additional funds from the State of California's Carl Moyer Program, which is administered by the South Coast Air Quality Management District (SCAQMD).

The engines meet the US Environmental Protection Agency's "Tier 2" standards for reduction of air pollutants and replace much older diesel locomotive engines, some of which are 50 years old.

Brown to broaden fight over dirty air

CLEAN AIR: California Atty. Gen. Jerry Brown will petition the federal government today to crack down on global warming emissions from ocean-going vessels, most of which sail under foreign flags.

The attorney general and environmental groups will ask the U.S. to regulate the emissions of ocean-going ships.

State Atty. Gen. Jerry Brown, joining with national environmental groups, will petition the Bush Administration



today to crack down on global warming emissions from ocean-going vessels, which make more than 11,000 calls at California ports each year.

The petition opens a new front in the battle by California and other states to force the federal government to regulate greenhouse gases. Until now, the focus had been on emissions from cars, trucks, power plants and other U.S.-based industries. Regulating planet-warming pollutants from ships presents a tougher challenge because more than 90% of vessels that bring goods to the U.S. fly foreign flags and traditionally fall under international jurisdiction.

"Climate change represents a potent catastrophe and an irreversible risk to California as well as to the rest of the world," Brown said in an interview. "Who comes into American ports is a matter for Americans to decide."

Ocean-going vessels account for an estimated 2.7% to 5% of the world's greenhouse gases, roughly equivalent to the carbon dioxide emissions of all U.S. cars and trucks. And emissions from ships are likely to grow by 75% in the next

two decades, according to studies by the German-based Institute of Atmospheric Physics and the oil giant BP, which owns tankers.

The United Nations' International Maritime Organization, which is charged with regulating ocean-going vessels, has discussed global warming emissions for several years but has yet to adopt rules. It has also postponed proposals to effectively control conventional pollutants, including particulates and ozone-forming gases that cause respiratory diseases and cancer.

The U.N. agency is hampered by opposition from Panama, Liberia and other nations that profit from registering ships, which environmentalists say makes U.S. intervention all the more urgent.

Overall, the Bush administration opposes mandatory curbs on global warming emissions and has declined to sign on to the Kyoto Protocol, the international agreement on climate change. That resistance suffered a setback earlier this year when the U.S. Supreme Court ruled that the Environmental Protection Agency has the authority to regulate carbon dioxide and other greenhouse gases under the Clean Air Act.

Brown's petition to the EPA acknowledges that the landmark 1970 law does not give the agency "an unqualified mandate" to regulate non-road engines, such as those in ships. But given the act's general directive to "protect public health and welfare," he contends that the EPA "must regulate, or produce well-supported reasons . . . as to why it refuses to regulate, this large, almost completely uncontrolled source of greenhouse gas emissions."

An EPA spokeswoman said the agency planned to draft regulations this year to cut gasoline emissions from cars and trucks. But she declined to comment on the issue of planet-warming pollutants from ships.

Also filing a petition today are the nonprofit groups Friends of the Earth, Earthjustice, Center for Biological Diversity and Oceana. "The global shipping industry is incredibly powerful," said Michael F. Hirshfield, Oceana's chief scientist. "They've been able to avoid doing anything about air pollution for years."

In California, the Pacific Merchant Shipping Assn. is battling the Air Resources Board in federal court over the board's 2005 rule requiring ships to switch to cleaner fuel as they approach the California coast. That rule would probably have little effect on global warming emissions, however, because it takes more energy to refine cleaner diesel than it does to use "bunker" fuel, a dirtier fuel, potentially offsetting the climate benefits of switching.

Industry spokesmen in Washington and Long Beach declined to comment on Brown's petition or on the regulation of greenhouse gases generally.

However, the Air Resources Board is considering rules to require that ships plug into electrical outlets while they unload. Because electrical power in California is more cleanly generated, that change would lower carbon dioxide emissions. And the Port of Los Angeles is requiring ships to reduce speed as they near the shore, which would also cut global warming emissions.

Board chairman Mary Nichols noted that the U.S. government

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From the Editor's Desk



India being one of the leading top maritime nations in the world, gifted with long coastline and good number of major and minor ports, have made shipping a crucial activity for the rapidly growing Indian economy. India's greatest strengths as a maritime nation, are its ship breaking facilities and the churning of the available abundance of Indian Manpower into potentially high quality of maritime manpower.

Management of Shipping Companies need to ensure, primary responsibility of creating a work environment that causes people to give their best every day, whether the vessel is out at sea or in port. In theory this could appear simple, since the overwhelming majority of employees employed out at sea, are willing workers, not distracted from their outside world, on social commitments. Only a small number of influential people take job on coastal ships to get paid for a minimal effort, meeting people of multi-cultural mix, to visit foreign countries and enjoy adventurous life, to those employed on ocean

going vessels,.

If people are willing to perform at their best and they don't, where does the problem lie? Well over 90 per cent of the problems of quality not to front-line employees, but lies with the top management. We certainly agree and we extend this to most other performance deficiencies as well. The same leadership practices that throw away the employee's (seafarers) goodwill also create the climate that suboptimizes organizational effectiveness. Leaders create the culture, the place, and the conditions for employees and their work. This includes the physical conditions and the management process. The most effective leaders first looks at those elements before looking to individuals or groups of employees for assigning blame or attempting a fix. Most failures are owing to failure of Management Process, not crew's behaviour.

Shipping Companies have some form of process management, in their management of varied vessels of different applications. It is advised to find a management style that fits their personality and the situation. Because there are so many different personality types in multi-cultural mix at times and possible varied situations on board a ship. Hence, there will be many different solutions to the same problem. No effective, stable leadership process is possible with this number of uncontrolled management variables. An effective management process makes the crew (employees), to do the right things at the right time in the right way. To have an effective management process, it is hence imperative that we have understanding of the variables that affect performance. Getting and keeping crew occupied in meaningful activity, whether physically / mentally is essential to a leader (Captain & Chief Engineer of the vessel) with a reasonably held manning helps.

Much of what is common knowledge about leadership is, in fact, fallacious. Ideas extracted from our experience or that of others may not actually identify the critical variables that made that approach work in that specific situation. We are all taught, for instance, to lead by example and to communicate, communicate, communicate! This kind of advice peddles the banal as wisdom and ignores the essentials. While the leader's actions and the visual images he or she paints with words are important, these are not the most powerful influences on behaviour. Much more has been modelled and communicated than has been done. Simply put, the impact of your example and of your communications is to get followers to do something once, perhaps twice. After that, they must see some personal benefit from their actions or the response to your example and your communications will diminish. We may know our Company's Standard Policy and not follow it; we may know a safety rule but violate. All of these points to the fact that most problems that organisations face daily are not the result of not knowing what to do but are often treated by the organisation as though they are. Most attempts to resolve performance issues involve emphasizing the consequences (importance of the actions, stressing the cost of the failure, making our expectations clear, re-telling them, creating new policies and procedures, conducting refresher training and not simply nagging them to do what said. We need to instil in our minds, showing concern about the cost, quality, timeliness, or appropriateness of their actions. Problem solving requires a disciplined approach.

Are we looking at the seafarers fairly? Are'nt we exploiting the situation for their inability to get together and raise their genuine voice, unlike other Officers Associations, Unions of the shore-based employees etc. How about Seafarers looking forward to instil a revolutionary change, to address their genuine grievances on common platform, with a vision on a mission to meet to the times, of the day to day affairs in the changing maritime scenario of the world? All this, very well known to all, of their inability to get together, owing to their mobility of service and while ashore on their hard-earned leave wishes to be attached with their close and near dear ones but on the contrary running pillar to post for the renewal of passport, CDC, MMD offices etc. hence, the imperative need of a common platform to vent their grievances. Seafarers getting exploited, even after freedom and independence from foreign hands, achieved over 60 long years ago. The basic requisite is lacking? Unions/Associations need to be regulated by the national/state governments to oversee and instil justice to their seafaring countrymen, Checks to union fees collected/deducted from seamen (navigating officers, engineer-officers and Ratings). Option to be left to them, to break away from the union and represent themselves as well, without any monopoly. The imperative need of a common platform for seafarers to vent their grievances, Workers who oppose the mandatory union fees - known as "fair share" or agency fees. Seafarers very well know that if they don't have a UNION they will lose everything even what they get now, as their management will further exploit them. Union and non union employees have clashed periodically over the agency fees for years. The fees are designed to cover the cost of collective bargaining and contract administration that benefits all employees, including those who choose not to join the union.

While, Seafarers lack motivation, family-welfare even while in active service they are neglected, as compared to those employed ashore in the supporting services e.g. port services, logistics etc. During their hard earned leave period, while they are supposed to spend with their close, near and dear ones, but they are engaged in running to various offices i.e. renewal of their passport, CDC, revalidation of their certificates, the MMD visits are another harrowing experience, while they are turned down by the private security sitting inside the AC Office at the entrance(it is unknown as to whether they are legally employed in government MMD offices, to do reception and clerical works?), returning the seaman, saying "Today is DECK or ENGINE dept. attendance day" or "TIME is over for the day" Seamen from outstations held up in private hotels for boarding and lodging incurring heavy expenditure, and their valued time lost, if stuck in the week-ends, besides no room in their Seafarers Club, all this faced in the 5 Day week, work-culture of MMD.

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has avoided imposing unilateral shipping standards, preferring to work through the U.N. agency. "Shipping is one of those areas where countries either find a way to cooperate, or historically, they go to war," she said.

As for Brown's petition, "This is exactly the kind of activism on global warming he promised when he ran for the office of attorney general," she said.

Brown has vowed to file suit against the Bush administration if it fails to grant a waiver allowing California to regulate carbon dioxide from cars and trucks.

And in the case of ships, he said, "I don't believe the Bush administration can continue to thumb their noses at the laws of the U.S. There is a pattern here. The law is absolutely clear that the EPA has a responsibility to act."

In recent months, Brown has required San Bernardino County and other

counties to account for greenhouse gases in their growth plans and has challenged oil refineries and other industrial projects to mitigate or offset carbon dioxide emissions.

Brown said he did not check with the governor before filing today's petition. "I'm the cop on the beat, and the beat is the environment of California," he said. "This is a national imperative, and we cannot allow petty politics to stand in the way."

W o r l d I n f o D e s k

Psychological disorders among seafarers:

The London P&I Club warns that the shipping industry should pay more attention to psychological disorders among seafarers. In the latest issue of its StopLoss Bulletin, the club says, "Too often, such problems are not identified, or dealt with, as quickly, as knowledgeably or as sympathetically as is the case with physical illness and injury. This seems to be particularly the case in the context of the robust working environment typically encountered at sea."

It adds: "The Club views with concern the large numbers of seafarers now being repatriated early suffering from a range of psychological difficulties. One report suggests that as many as one in three repatriations which require a medical escort are related to such ailments. Great care must be taken to protect the interests of all seafarers when dealing with such issues. In extreme cases, the afflicted crew member can be a danger to others on board, or may constitute a suicide risk."

The club quotes Prof Francesco Amenta, Italian-based Centro Internazionale Radio Medico's (CIRM) scientific director, who says, "When dealing with psychological problems, including stress, anxiety and depression, requests for medical advice should always be sought at the earliest opportunity. What may be lacking in the maritime culture is sufficient sensitivity to health problems. For example, shipping is much more sensitive to technology and safety issues than it is to health problems, so it is perhaps not surprising to hear about the difficulties being encountered in dealing with mental health issues at sea."

Maritime London gave its full backing to the celebration of World Maritime Day which included an event on the world maritime heritage ship HQS Wellington hosted by the Honourable Company of Master Mariners and the International Maritime Pilots Association, in partnership with IMO. This was followed in the evening by an IMO reception at Banqueting House.

Aimed at bringing the role of the maritime industries to the attention of a wider audience, and to highlighting to young people the opportunities offered by a career at sea, the day on the Wellington started with a visit and speech by HRH the Duke of York. Other VIP guests event throughout the day included IMO Secretary General Efthimios Mitropoulos.

Prominent among the stands was Maritime London's, manned by Maritime London-sponsored cadets who were able to explain what life at sea is like to groups of pupils from London schools.

Audits prompt Kenya to tighten anti-terror security at Mombasa:

KENYA's government is quickly upgrading anti-terrorist security at the Port of Mombasa after two audits by the US government's Anti-Terrorism Assistance Office and the Kenya Maritime Authority revealed shortcomings that made it a "soft target" for terrorists. Studies revealed that container congestion led to poor verification and tagging. Overly free movement of unauthorised people and poor inspection and screening due to lack of security cameras, plus piracy off the Somali coast heightened the risk, reported Nairobi's daily, The East African.

Closed circuit television is being installed immediately. The port is now guarded by a National Security Intelligence Service, CID police detectives with the bulk of the personnel provided by the General Service Unit. A team of experts from Israel and the US Homeland Security Office is training the security team. US audits, also of Djibouti, Dar es Salaam and Beira in Mozambique, showed Mombasa to be the most vulnerable. Mombasa came under scrutiny because of its proximity to war-torn Somalia - which Washington firmly believes is host to active al Qaeda cells, and a matter of greater urgency after the Islamic Court came to power there last year. Kenya Ports Authority chief Abdalla Mwaruwa said security systems would soon meet the standards of the International Maritime Organisation's International Ship and Port Security Code.

Marshall Islands flag registry strengthens presence in Japan:

INTERNATIONAL Registries Inc (IRI), the maritime and corporate administrator in the Republic of the Marshall Islands, has appointed the Marine Bureau Inc (MBI) as its official representative to Japanese shipowners and operators. "There are a growing number of Japanese shipowners and operators flying the Marshall Islands flag and MBI will provide services to meet their needs," said Bill Gallagher, president of International Registries (Far East) Limited in Hong Kong.

Said MBI president Masaharu Okamoto: "Our common goal is to provide the best quality ship registration and the most efficient marine safety and technical support." MBI was established in 1975 as the

Japanese representative to International Cargo Gear Bureau Inc, (ICGB) and was assigned to conduct surveys in accordance with international conventions on ship maintenance and repair.

MBI is one of Japan's leading maritime service companies with more than 1,700 vessels on its books. As a special agent of the Marshall Islands Registry, Mr Okamoto is authorised to act on the registry's behalf in connection with the registration and documentation of vessels.

London Retains Leading Position as Global Maritime Centre:

London remains the leading centre worldwide in the supply of a range of business services to the international maritime community. The new edition of IFSL's Maritime Services report highlights London's position in key sectors:

- With 23% of premiums in the international marine insurance market, London is the leading centre in the face of fierce competition from Japan, the USA and Germany. London is also the largest centre in the management of protection and indemnity insurance, with P&I clubs operating in the UK accounting for 65% of the global market.

- In ship finance, the loan book of \$49bn provided by commercial banks in London accounts for 18% of the world book. The world loan book has grown by over a third from \$200bn in 2005 to \$275bn in 2007, on the back of the surge in shipbuilding orders.

- Lloyd's Register is the second largest ship classification society in the world, accounting for 19% of the world fleet.

- London's 400 shipbroking firms match ships and cargoes for 50% of the tanker and 30-40% of the dry bulk chartering business. They are also involved in the sale and purchase of over half the world's new and second hand tonnage, a market worth more than \$34bn annually. The total value of freight contracts traded in the over-the-counter derivatives market reached a record \$56bn in 2006, nearly double that of 2004 and 2005.

- London is the leading centre in legal services involving about 30 law firms. English law is widely applied to shipping disputes, usually involving foreign interests.

In recent years, strong growth in world seaborne trade and substantial demand for new ships has contributed to buoyant shipping markets. UK shipbrokers' net exports have been lifted in recent years by rising freight rates. At 706m pounds in 2006, they were slightly down on 735m pounds in 2005 but much higher than previous years. These accounted for around half of UK maritime services' overseas earnings.

Cyprus enjoying boom after being branded a quality flag:

As Cyprus looks at its tax issues for an EU-wide year of assessment, the ban on Cyprus-registered ships using Turkish ports is considered secondary.

THE TURKISH ban on Cypriot ships may present some commercial problems for the Cyprus flag, and is of course a political issue for the state, but what is more significant to the industry itself is taxation, according to the Cyprus Shipping Council (CSC).

"What is important is that 2007, for the whole maritime industry of Europe, is a year of assessment," said CSC general secretary Thomas Kazakos.

He said this means "all of the old member states as well as the new kids on the block" must re-submit and reassess their tax compatibility with the existing EU acquis.

"The current year is crucial," Kazakos said because the Cyprus taxation system, which is based on tonnage tax rather than fleet numbers, will be evaluated to assess its viability.

Success in this area will keep Cyprus ahead of the game in attracting new clients to the flag, which is now the third largest in the EU after Greece and Malta, and tenth in the world.

"The only need of the industry is a legal, stable and attractive tax system," Kazakos said.

"This is what we have been preparing for since 2004, since our accession and 2007 is coming to an end in a few months and Cyprus is preparing and finalising its positions in order to go again to wrap up loose ends."

Kazakos said Cyprus had done its homework during the pre-accession negotiations but added that some of the tax issues had remained unresolved.

Cyprus has managed to secure a grace period to prepare its position in detail as to how it could convince the EU Commission to accept the tonnage tax system as fully EU-compatible system that could be "copy pasted" by other maritime nations within the bloc.

Kazakos said some of the loose ends could be tricky. "And if we are not careful and don't negotiate in the programme we might end up with some problems," he said.

"The sole reason that any ship owner or shipping company will stay in Cyprus or use the Cyprus flag is taxation, and as long as we have any grey areas there will be concern about that."

He said the Turkish ban was secondary to that because as far as the industry was concerned, finances were more important than politics.

"As far as the resident industry is concerned the Turkish ban is and will continue to be a negative issue but it's of a limited application," he said.

"Not all our ships trade in the Mediterranean, and not all our ships trade with Turkey. Yes a number would have liked to go and don't like the restrictions but that's as far as it goes. The fact is that we've had it (the ban) since 1987 and if it was that dramatic we would have no fleet. On the contrary since the 1980s we have a boom."

Kazakos said once the tax worries are out of the way, Cyprus shipping would be well on the road to success. In the past two years, the flag has also entered the white list of the Paris Memorandum of Understanding (MOU) on port state control, and had cleaned up its image and enjoyed few inspections abroad due to its new credibility as a quality flag.

"So we remain conservatively optimistic that the future for Cyprus shipping will be secured in the next few months," said Kazakos.

He said successive governments are always talking about attracting foreign investment, and suggested the maritime industry had been doing that since 1970.

"The industry does not require financial investments. It doesn't require assistance. It's self running, self operating. It gives a lot of political clout," Kazakos said

"We don't want any money. We don't need any money. We want to leave money. I know that sounds arrogant but that's what it is and we don't want any magical things. Everything is in the pipeline of being resolved".

Kazakos said the world shipping industry has been booming for the last three or four years at an unprecedented rate and that the Cyprus shipping industry "was doing extremely well financially".

"The Cyprus flag is stabilising. It was reduced and now it's picking up.

We can have a huge boom of quality numbers. The trend in the world economy is because of a boom in China and Asia, which has boosted demand for the construction of ships. They're building ships like there is no tomorrow so we are part of that boom so we should expect to get a share," Kazakos said.

"It is an industry with huge prospects of future development and it's high time that shipping received the attention it deserves as an industry."

Suez Canal, a dream come

true: I don't know why, but I was really looking forward to seeing the Suez canal. That's the canal that runs through the desert so big freighters can move between the Med and the Red Sea. How cool is it to see some mega huge ship gliding through the sands. Boy, I wish I knew as there wasn't one damn ship in three days. Damn it. Anyways, you can read and learn a little bit about the Suez Canal. Cut and paste to follow, I know, I know, but if you don't read it you'll be stupid for the rest of your life.

Suez Canal: There seems to have always been an interest in linking the Mediterranean and Red Seas, because such a link would greatly shorten the time required for trade goods that would otherwise require a considerably longer sea voyage or shipment overland. Most of the early efforts were directed towards a link from the Nile to the Red Sea, thus indirectly linking the Red Sea to the Mediterranean through the Nile. Strabo and Pliny record that the earliest effort was directed by Senusret III, but no evidence that there was an actual canal built exists. The earliest efforts may have actually occurred at the command of Seti I or Ramesses II during the 13th century BC.

According to the Chronicle of the Pharaohs by Peter A. Clayton, under Necho II (610-595 BC) a canal was built between the Pelusian branch of the Nile and the northern end of the Bitter Lakes (which lies between the two seas) at a cost of, reportedly, 100,000 lives. However, over many years, the canal fell into disrepair, only to be extended, abandoned, and rebuilt again. After having been neglected, it was rebuilt by the Persian ruler, Darius I (522-486 BC), whose canal can still be seen along the Wadi Tumilat. According to Herodotus, his canal was wide enough that two triremes could pass each other with oars extended, and that it took four days to navigate. He commemorated the completion of his canal with a series of granite stelae set up along the Nile bank.

This canal is said to have been extended to the Red Sea by Ptolemy II Philadelphus (285-246 BC), abandoned during the early Roman rule, but rebuilt again by Trajan (98-117 AD). Over the next several centuries, it once again was abandoned and sometimes dredged by various rulers for various but limited purposes. Amr Ibn el-As rebuilt the canal after the Islamic takeover of Egypt creating a new supply line from Cairo, but in 767 AD, the Abbasid caliph El-Mansur closed the canal a final time to cut off supplies to insurgents located in the Delta. Of course, over time, ships grew in size and so the ancient attempts to connect the two seas would not have worked anyway today.

The first efforts to build a modern canal came from the Egypt expedition of Napoleon Bonaparte, who hoped the project would create a devastating trade problem for the English. Though this project was begun in 1799 by Charles Le Pere, a miscalculation estimated that the levels between the Mediterranean Sea and the Red Sea were too great (estimating that the Red Sea was some ten meters higher than that of the Mediterranean Sea) and work was quickly suspended.

Then, in 1833, a group of French intellectuals known as the Saint-Simoniens arrived in Cairo and they became very interested in the Suez project despite such problems as the difference in sea levels. Unfortunately, at that time Mohammed Ali had little interest in the project, and in 1835, the Saint-Simoniens were devastated by a plague epidemic. Most of the twenty or

so engineers returned to France. They did leave behind several enthusiasts for the canal, including Ferdinand de Lesseps (who was then the French vice-consul in Alexandria) and Linant de Bellefonds

In Paris, the Saint-Simoniens created an association in 1846 to study the possibility of the Suez Canal once again. In 1847, Bourdaloue confirmed that there was no real difference in the levels between the Mediterranean and Red Seas, and it was Linant de Bellefonds that drew up the technical report. Unfortunately, there was considerable British opposition to the project, and Mohammed Ali, who was ill by this time, was less than enthusiastic.

However, Pasha Said was very open to European influence, and in fact, was a childhood friend of Vicomte Ferdinand Marie de Lesseps, who ended up founding the La Campagnie Universelle du Canal Maritime de Suez (Universal Company of the Maritime Suez Canal) in 1858 to build the canal. This was a private company, which would build the canal under an agreement allowing it to operate the canal for 99 years, after which it would revert to Egyptian government ownership.

The pilot study estimated that a total of 2,613 million cubic feet of earth would have to be moved, including 600 million on land, and another 2,013 million dredged from water. The total original cost estimate was two hundred million francs.

When at first the company ran into financial problems, it was Pasha Said who purchased 44 percent of the company to keep it in operation. However, the British and Turks were concerned with the venture and managed to have work suspended for a short time, until the intervention of Napoleon III. Excavation of the canal actually began on April 25th, 1859, and between then and 1862, the first part of the canal was completed. However, after Ismail succeeded Pasha Said in 1863, the work was again suspended. After Ferdinand De Lesseps again appealed to Napoleon III, an international commission was formed in March of 1864. The commission resolved the problems and within three years, the canal was completed. On November 17, 1869 the barrage of the Suez plains reservoir was breached and waters of the Mediterranean flowed into the Red Sea.

The total original cost of building the canal was about \$100 million, about twice its original estimated cost. However, about three times that sum was spent on later repairs and improvements.

The completion of the Suez Canal was a cause for considerable celebration. In Port Said, the extravaganza began with fireworks and a ball attended by six thousand people. They included many heads of state, including the Empress Eugenie, the Emperor of Austria, the Prince of Wales, the Prince of Prussia and the Prince of the Netherlands. Two convoys of ships entered the canal from its southern and northern points and met at Ismailia. Parties continued for weeks, and the celebration also marked the opening of Ismail's old Opera House in Cairo, which is now gone.

The canal had a dramatic effect on world trade almost from the time it was opened, and even on world politics. Now, it was much easier for European nations to penetrate and colonize Africa.

Because of external debts, the British government purchased the shares owned by Egyptian interests, namely those of Said Pasha, in 1875, for some 400,000 pounds sterling. Yet France continued to have a majority interest. Under the terms of an international convention signed in 1888 (The Convention of Constantinople), the canal was opened to vessels of all nations without discrimination, in peace and war. Nevertheless, Britain considered the canal vital to the maintenance of its maritime power and colonial interests. Therefore, the provisions of the Anglo-Egyptian Treaty of 1936 allowed Britain to maintain a defensive force along the Suez Canal Zone. However, Egyptian nationalists demanded repeatedly that Britain evacuate the Suez Canal Zone, and in 1954 the two countries signed a seven-year agreement that superseded the 1936 treaty and provided for the gradual withdrawal of all British troops from the zone.

By June 1956, all British troops had departed and Egypt took over the British installations. Nevertheless, various conflicts caused the closure of the canal for intermittent periods. Unfortunately, between the Suez Crisis and later wars, the canal was damaged extensively and was not operated for several years after 1967. However, on

June 5th, 1975, the canal was again opened, and since then has been updated and enlarged.

The canal stretches over 100 miles (163 kilometers) from Port Said and the Mediterranean Sea to Suez and the Red Sea and, along with other such projects, changed the face of maritime world trade. The famous canal (Translated from Arabic as Qana al-Suways) of the modern era is one of the greatest engineering feats of modern record. At its narrowest point, it is about 300 meters wide (197 feet) at the bottom. It is wide enough to allow ships having a maximum draft of 16 meters (53 feet). The canal can accommodate ships as large as 150,000 dead weight tons fully loaded.

The Canal is really not wide enough to allow two way passage of ships, but there are several passing bays, and areas where ships may pass each other in the Bitter Lakes and between Qantara and Ismailia. There is also a railway that runs the entire distance of the canal.

The Suez Canal has no locks, because the Mediterranean Sea and the Gulf of Suez have roughly the same water level. Actually, the canal does not stretch continuously from one sea to the other. It really consists of two parts each flowing into the Bitter Lakes which lies between Port Said and Suez, and it also uses the waters of Lake Manzilah and Lake Timsah.

Three convoys transit the canal on a typical day, two southbound and one northbound. The first southbound convoy enters the canal in the early morning hours and proceeds to the Great Bitter Lake, where the ships anchor out of the fairway and await the passage of the northbound convoy. The northbound convoy passes the second southbound convoy, which moors to the canal bank in a by-pass, in the vicinity of El Qantara. Egypt's Suez Canal Authority (SCA) reported that in 2003 17,224 ships passed through the canal. The canal averages about 8% of the world shipping traffic. The passage takes between 11 and 16 hours at a speed of around 8 knots. The low speed helps prevent erosion of the canal banks by ship's wakes.

Improvements are planned to allow supertanker passage through the canal by 2010. Presently, supertankers can offload part of their cargo onto a canal-owned boat and reload at the

other end of the canal.

For tourists, the Canal Zone makes an interesting visit, though one need not, and really cannot traverse the whole of it except by ship. Outside of an ocean cruise, visiting the Canal is easiest at Suez. It can in fact be a very easy day tour, as Cairo is only about an hour and a half away. On the other hand, it could also be visited as part of a little longer tour, also taking in the Eastern Desert Monasteries and some other site seeing.

Not so bad was it. If someone could send me the Cliff notes I would be much obliged. Herpes doesn't allow for too much learning.

Okay, three days there at the kickoff to Ramadan (for repentance no eating and drinking from 5am to 5pm also no sex.) The place was a ghost town, even at night. Lots of kids playing though, but the town itself gave me the creeps. Extremely nice tourist office though. The canal itself wasn't what I expected but I was seeing it at the entry/exit part in the middle of the city. I guess you would have to take the road out to the middle of the desert and then be able to see the narrow swath of water with sand on both sides. Oh well, dreams crushed.

Dubai issues Maritime

City law: The Dubai Government has issued the Law No. (11) of 2007 establishing the Dubai Maritime City, which is to gradually incorporate the ship repair and maritime services companies located at Jadaif Dubai, a top official said.

The law heralds a new era for the regional maritime industry. It is expected to further enhance the position of Dubai as a centre of maritime excellence.

According to the new law, the Dubai Maritime City Authority (DMCA) will be able to levy fees and register vessels and professionals in the maritime sector, set up a maritime arbitration centre as well as become a centre for marine insurance and re-insurance.

A copy of the law, issued in Dubai recently, was obtained by Gulf News. The law, promulgated by His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, stipulates that the facility will be managed by the DMCA, which will be

affiliated with the Ports, Customs and Free Zones Corporation.

According to the law, the DMCA shall aim to enhance the position of the Emirate and to make it a centre, without limitation, of the maritime services; maritime management; vessel and yacht registration; vessel and yacht ownership and charter; maritime and educational research; vessel and yacht design and building; maritime shipment organisation; maritime exhibitions, conferences, training and workshops; maritime tourism; and maritime specialised arbitration.

The Dubai Government has invested more than Dh3 billion in land reclamation and putting the infrastructure in place, a top official said.

"This law heralds a new era for the regional maritime industry. The law will further enhance the position of Dubai as a centre of maritime excellence," Amir Ali, chief executive of Dubai Maritime City, told Gulf News in an exclusive interview.



Pivotal role: "Dubai Maritime City will play a pivotal role in centralising operations and providing regulation in this sometimes segmented, multi-trillion dollar global industry. The full value chain of maritime services offered will yield great revenues for Dubai and the UAE as it ensures efficient operations and sustainability."

He said the Dubai Maritime City is going to complement the region's growing maritime business and Dubai's economy.

"Dubai Maritime City will have a significant impact on the maritime community of Dubai and the world at large. It is a progressive and innovative concept that offers a comprehensive range of maritime services in a centralised location," he said.

"We are confident that it will raise the quality and standards of the industry not only in Dubai but also the region as it not only offers a viable option from a commercial and industrial standpoint but also a complete community lifestyle with a strong maritime influence." The administration of the authority shall consist of a chairman, an executive director and the executive staff.

"The chairman of the Ports, Customs and Free Zone Corporation shall be the chairman of the authority. The executive director of the authority shall be appointed and his powers shall be specified by resolution of the chairman," the law says.

Article 9 of the law says, violations of any provisions of the same, the regulations issued hereunder or any terms of any licence issued by the authority, shall be subject to the civil penalties specified by special regulations issued by the chairman.

Article 10 says, the chairman shall issue all the rules, regulations and resolutions necessary for the operation and administration of the city.

Administration: Article 11 says, the

authority may vest in any one or more corporate person(s) (hereinafter the "operator(s)") the administration and operation of all or any of the operations carried out in the land of the city, including investment and development of the authority's funds. "The authority may enter into contracts for transfer, assignment, mortgage or otherwise disposal of the assets of the authority on the terms and for the purposes considered proper by the authority. The chairman shall sign all the necessary documents and contracts with the operator(s)," it says.

"The authority shall not be responsible for the debts and liabilities of the operator(s) or any other parties." According to Article 12, the authority's land shall not be governed, in relation to their operations, by the local rules and regulations of Dubai Municipality, Department of Economic Development, Rent Committee, Department of Tourism and Commercial Marketing, Road and Transportation Authority or the authorities and entities within their respective jurisdictions.

Legislation: DCMA to license all maritime activities The Dubai Maritime

"MARINE WAVES"

(International Maritime Newsletter)

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City Authority shall license all types of maritime activities or activities related thereto, including the following:

- Vessel and yacht ownership
- Operation of vessels
- Shipping agencies
- Vessel and shipment charter and brokerage
- Loading and unloading of cargo
- Maritime classification entities
- Maritime surveyors and inspectors
- Maritime insurance
- Maritime finance
- Shipment organisation entities

Singapore to attract more shipping trusts over next few years: Singapore is starting to attract a greater number of shipping trusts.

According to accounting firm KPMG, at least one new trust will be launched here by the end of this year and more are expected to follow suit over the next two years.

KPMG says it is seeing an influx of enquiries from both foreign and local companies planning to set up shipping trusts.

Companies are drawn by government efforts to attract such trusts to Singapore.

These include the Maritime Finance Incentive Scheme, which provides tax exemptions and concessions.

Leonard Ong, Tax Executive Director, KPMG, says: "The Maritime Finance Incentive is in a way superior to those that you see elsewhere. For those in South Korea and Germany the fund manager is taxed at a normal rate. The investors are taxed although the fund isn't.

"These two are really the more major shipping markets around the world and traditionally a lot of shipping funds come from Germany and South Korea. Now we're seeing Singapore coming in too."

Currently, there are only three shipping trusts listed in Singapore. One is by a local company, the other two by companies based in Germany and the US.

Investors have been taking their time to warm up to the trusts, but analysts say interest now is strong.

Kenny Tan, Audit Partner, KPMG, says:



"The investors are attracted to these stream of stable cash flows because the business trust is very attractive for businesses with high initial capital expenditures that are able to provide stable operating cashflows.

"In the case of a company, you give dividends out of accounting profits. But in the case of a business trust, it's based on cash distribution, which is based on operating cash flow."

Rodicks Wong, Financial Analyst, Marine Money Asia, says: "So far, the Singapore business trusts, Singapore shipping funds are doing very well. As we see over the past few months, they have been making pretty active acquisitions. They're doing great."

Analysts say shipping trusts typically carry a yield of around 8 to 9 per cent, higher than that of real estate investment trusts.

Beyond Singapore, another country with its eye on ship financing is China. Analysts expect it to come into its own within the next 5 years, turning into a major player.

Swifter compensation after an oil spill: ALTHOUGH oil spills in Singapore were cleared in record time, compensation claims for such operations used to take much longer - between two and five years to be exact.

But oil spill response agencies working within the Republic's jurisdiction can now look forward to a significantly shorter claim time with the establishment of pre-agreed rates for vessels and equipment.

These rates - taking effect next month - will be in place for the next three years.

A world first, the initiative was inked yesterday in a Memorandum of

Understanding (MoU) between the Maritime Port Authority of Singapore (MPA) and the International Tanker Owners Pollution Federation (ITOPF), an international body that assesses maritime accident claims.

MPA director (Port) and port master, Captain M Segar, revealed that the Singapore-driven initiative took two years to complete.

The MoU was the highlight of the first day of the International Chemical and Oil Pollution Conference and Exhibition 2007, or ICOPCE, as part of the Maritime Week, which started last Friday.

In her opening address, Minister of State for Finance and Transport Lim Hwee Hua said claimants could expect a "fair and timely" compensation with the new rates.

This "proactive" move will address the gap in the current claims process, she added, when disagreement on rates could turn compensation into a "protracted affair".

Mrs Lim is also heartened that the ITOPF hopes to ink similar MoUs with other governments. "More of such pre-agreed undertakings will certainly contribute towards mitigating the damaging effects of oil and chemical spills on the marine environment around the world."

According to ITOPF's technical team manager Hugh Parker, the new rates can expedite compensation because they help to control one of two variables in such oil spill claims - cost of vessels and equipment - including craft

for oil clean-up operations, booms, skimmers, storage barges, dispersant spray system and rapid-response equipment.

However, the specific types of resources to use during a spill will have to be discussed between the parties involved, he added.

There are currently six oil spill response agencies in Singapore, namely, Shell Eastern Petroleum, ExxonMobil Asia Pacific, Singapore Refinery Company, Chevron Singapore, Keppel Smit Towage, PSA Marine and SingaPort Cleanseas.

In the last decade, Singapore suffered two major oil spills - the worst being a spill of 28,500 tonnes of heavy marine oil in 1997 as a result of a collision between two oil tankers.

Cleaned up in a record three weeks, the exercise used about 80 craft and 650 personnel from some 16 ministries, oil terminals, salvage companies and oil spill response companies.

The other, which happened in 2000, saw about 7,000 tonnes of oil spilled into the sea when the tanker Natuna Sea ran aground on a reef in Indonesian waters, just 8km from Sentosa Island. The cleaning up of this spill involved 17 organisations, 60 craft and 400 personnel.

The new rates will be uploaded on the MPA website and communicated to the shipping community through a circular soon.

Meanwhile, Minister Mentor Lee Kuan Yew will deliver the inaugural Singapore Maritime Lecture to some 250 industry practitioners today as part of the Maritime Week events. Awards will also be given to companies that have made Singapore their base for shipping operations.

Essar Shipping orders six bulk carriers: Essar Shipping & Logistics (ESLL) has placed an order with ABG Shipyard, for six Supramax bulk carriers. The vessels, to be built at an estimated cost of \$35 million each, totaling \$210 million, will be delivered between December 2009 and March 2011.

The acquisition has been made keeping in view the increased demand for larger size vessels in the handymax segment of the dry bulk trade. These vessels are expected to be in high demand over the coming years considering the fact that the entire handymax segment is inching towards larger tonnage. Essar plans to deploy

these vessels for global trade.

"The decision to build these six bulk carriers stems from Essar's strategy to be equipped for future business needs. These vessels will go a long way in consolidating our position," said Sanjay Mehta, CEO, ESLL.

The new double-hull and double-bottom vessels would be environment-friendly and incorporate futuristic design while complying with the latest and most stringent International Maritime Organisation regulations. The vessels will have a length of 190 metre, a beam width of 32.26 metre and deadweight of 54,000 tonnes and fitted with 36-tonne cranes with the grab.

ESLL is a part of Essar Global Limited. ESLL has five operating companies in its fold. These include Essar Oilfields Services, which focuses on offshore and onshore drilling activities, and Vadinar Oil Terminal (VOTL), which has invested in crude oil and petroleum product terminals. VOTL has set up a crude oil and petroleum product terminal capable of handling 32 million tonnes of crude oil, and tankages for crude oil and product storage and handling facility at Vadinar, Gujarat.

The three other companies under ESLL are Essar Logistics, which is in the business of logistics management, trans-shipment and cargo handling services, Essar Shipping, which owns and operates 27 ships including VLCCs, product tankers and bulk carriers and Essar Bulk Terminal, which specialises in building and operating bulk terminals and also undertakes dredging operations.

GE Shipping augments its fleet-takes delivery of modern double hull Suezmax Tanker: Great Eastern Shipping Company Ltd (GE Shipping) has announced that the Company took delivery of 147,000 dwt, 2000 built modern double hull Suezmax Tanker. Now named 'Jag Lakshita', the vessel was contracted in June 2007.

The rationale behind the purchase of a modern double hull Suezmax Tanker is to increase and modernize the Crude Tanker fleet. In line with this view, the Company took delivery of another modern double hull Suezmax Tanker 'Jag Lateef' last week.

With the induction of 'Jag Lakshita', the Company's current fleet now stands at 48 vessels (15 crude carriers, 19 product carriers, 2 LPG carriers and 12 drybulk carriers) with an average age of 11.8 years aggregating 3.51 mn dwt.

The stock was trading at Rs.334.65, down by Rs.5.40 or 1.59%. The stock hit an intraday high of Rs.345 and low of Rs.334.50.

The total traded quantity was 94376 compared to 2 week average of 137645.

Ocean shipping: United States Senate signs off on Water Resources Development Act:

WASHINGTON - In a decision that may eventually end up having a significant impact on maritime transportation infrastructure, a House-Senate version of HR 1495, the Water Resources Development Act (WRDA) of 2007, was approved by the United States Senate by an 81-12 vote.

This legislation was adopted and approved by the United States House of Representatives by a vote of 381-40 on August 1. And according to the American Association of Port Authorities (AAPA), it addresses a seven-year backlog of U.S. Army Corps of Engineers programs for initiatives like navigation projects, and policies and procedures that are needed to keep pace with today's burgeoning trade.

The WRDA was initially introduced in May and sponsored by Representative James Oberstar (D-MN), with the objective to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

The AAPA pointed out in a statement that there are several projects and provisions in this legislation that will augment port waterside infrastructure needs, including projects for navigation channel deepening, dredged material disposal and storage facilities, and policy provisions that will aid the U.S. Army Corps of Engineers implementation process. Among the policy provisions the AAPA said it supports are expanding the use of Corps dredges in the Pacific Northwest

and also providing for joint federal/local legal liability for project cooperation agreements.

AAPA President Kurt Nagle told Logistics Management in an exclusive interview earlier today that perhaps the biggest takeaway of this approved legislation is that it has finally been able to "break away" from at least a five year impasse, considering the WRDA legislation is supposed to be biennial.

"This allows for allows both for some projects to be authorized to move forward and also to take concrete steps to improving our water-side infrastructure to accommodate increasing trade being handled by larger vessels," said Nagle. "And it has reached a settlement in terms of what the policies and procedures are...related to the Corps engineers moving forward on worthy projects."

Nagle added that this represents a significant step in moving forward and allowing waterside infrastructure initiatives to take the beginning steps to keep up with the demands on the United States' domestic maritime transportation system, as well as the country's overall transportation infrastructure, with the maritime- and water-side being a major part of that as it relates to international trade.

But he cautioned that while yesterday's news as a positive step forward, it does not portend that things on the water are fine as they are by any stretch. Much more work needs to be done, he said.

"It still is going to be a significant challenge to be able to develop the [needed] infrastructure to accommodate future needs," said Nagle. "Too often, we are taking too long with the system-both legislatively and procedurally-to build the improvements into our water side infrastructure. We are building the needs of our parents' generation, when we should be building to the needs of our children and grandchildren. We need to figure out how we can look forward to the future and have a vision of what our water infrastructure on the maritime side needs to be to meet future trade demand and allow us to be competitive in the future, as well as to bring in exports that consumers demand at reasonable prices. So it is a major step, and it is very positive in terms of breaking the impasse we have



been working on for these past five years, but it is only a first step."

Money Matters:

A major hurdle the WRDA needs to clear to move forward is the White House. A statement from the White House Office of Management and Budget (OMB) said that in order estimates that this bill would cost \$15 billion and possibly more including discretionary spending.

"Although many of the projects authorized by the bill have undergone a merit-based review, there are many others that have not, and therefore may be wasteful spending," the OMB said in a statement. "The bill increases the Federal cost-share for many projects, authorizes projects outside of the three main missions of the Army Corps of Engineers (Corps) civil works program, and fails to ensure that projects yield high economic and environmental returns. In a time when fiscal restraint is much needed, the additional spending authorized in this bill, such as provisions for local wastewater and drinking water infrastructure projects, is unacceptable. For these reasons, the Administration strongly opposes H.R. 1495 in its current form."

Nagle countered the OMB's claim of excessive costs by pointing out that a main reason the bill's price tag is so steep is because of its seven-year backlog, coupled with the fact that as projects have maritime transportation and infrastructure projects have continually been delayed, project costs have increased over time. He also explained that these are projects that have gone through very detailed

analysis and have been deemed to be critical to the United States beyond just the ports and maritime trade industries.

'Turkish shipping ban is everyone's problem':

THE TURKISH ban on Greek Cypriot ships is a problem not only for Cyprus but also for the EU, and for Turkey, Vice President of the European Commission and Commissioner for Transport Jacques Barrot said.

Barrot was speaking at the opening of the Maritime Cyprus conference in Limassol where he said the Turkish ban, imposed in 1987 must be tackled.

Turkey is obliged to lift the ban under the Anakara customs union protocol with the EU but has so far ignored its obligations under the protocol.

"EU shipping in general and Cyprus shipping in particular has to cope with the handicap of the access to Turkish ports. Please be assured that I will put all my efforts in solving this issue. It is not only a problem for Cyprus, it is problem for Europe and it is also a problem of Turkey," Barrot said.

The EU Commissioner congratulated Cyprus on "succeeding well in the top challenge of the fierce competition that exists in the world shipping markets" and acknowledged that with the addition of the Cyprus fleet to that of the EU, the Union now represents the biggest collective force in influencing global maritime developments.

Cyprus currently has the third largest fleet in the EU after Greece and Malta, and ranks tenth in the world.

(Contd. on page 13)



ACADEMY OF MARITIME EDUCATION AND TRAINING

THE FIRST INDIAN MARITIME UNIVERSITY

:: STCW COURSE SCHEDULE FROM JULY TO DECEMBER 2007 ::

1.	B. E. MARINE ENGINEERING COURSE (DGS APPROVED) 4 yrs	IN COLLABORATION WITH BIRLA INSTITUTE OF TECHNOLOGY, RANCHI. COURSE COMMENCES IN MID-AUGUST EVERY YEAR			
2.	B.Sc. NAUTICAL SCIENCE COURSE (DGS APPROVED) 3 yrs	IN COLLABORATION WITH . BIRLA INSTITUTE OF TECHNOLOGY, RANCHI.COURSE COMMENCES IN MID-AUGUST EVERY YEAR			
3.	GRADUATE MECHANICAL ENGINEER COURSE (DGS APPROVED) 1 yr	COURSE COMMENCES IN OCTOBER EVERY YEARFOR B.E. MECHANICAL ENGINEERING GRADUATES ONLY			
4.	HIGHER NATIONAL DIPLOMA (HND) IN -	IN COLLABORATION WITH GLASGOW COLLEGE OF NAUTICAL STUDIES, U.K. COURSES COMMENCE IN MID - SEPTEMBER EVERY YEAR, BOTH FOR ENGINE CADETS AND DECK CADETS.			
5.	MARINE ENGINEERING (UK) 2yrs NAUTICAL SCIENCE (UK) 2 yrs				
6.	M. B.A. IN SHIPPING AND PORT MANAGEMENT FULL TIME MBA PROGRAMME 2 yrs	IN COLLABORATION WITH BIRLA INSTITUTE OF TECHNOLOGY, RANCHI. COURSE COMMENCES IN AUGUST EVERY YEAR.			
7.	ELECTRO-TECHNICAL OFFICERS COURSE (ETO) 6 mths	IN COLLABORATION WITH INDIAN INSTITUTE OF TECHNOLOGY (IIT) MADRAS			
8.	MARINE ELECTRICAL & ELECTRONICS OFFICERS COURSE 4 mths	COURSE SPECIALLY DESIGNED FOR BE/DIPLOMA (EEE) GRADUATES TO BE COMPETENT TO SAIL ON-BOARD AS MARINE ELECTRICAL & ELECTRONICS OFFICERS. NEXT COURSE COMMENCES ON 3rd Week of JAN 2007.			
9.	DIPLOMA IN SHIPPING COURSEPART TIME (EVENING) 6 mths	COVERING A NEED BASED AND EXTENSIVE SYLLABUS DESIGNED BY EXPERTS OFFERING EXCELLENT OPPORTUNITY TO ACQUIRE / ENHANCE SHIPPING KNOWLEDGE FOR EMPLOYMENT IN THE SHIPPING INDUSTRY.			
10.	CERTIFICATE PROGRAMMES 3 mths ● LINER TRADE, MULTI-MODAL TRANSPORT AND LOGISTICS ● CLEARING, FORWARDING AND DOCUMENTATION ● SHIP BROKING AND CHARTERING ● SHIP AGENCY & PORT AGENCY AND STEVEDORING ● DIPLOMA IN MARITIMESTUDIES (DMS)- ● DIPLOMA IN NAUTICAL SCIENCE(DNS). ● DIPLOMA IN SHIPPING & MARITIME TRANSPORTATION (DSMT)	TO ENABLE AND GET THE SUITABLE EMPLOYMENT IN SHIPPING COMPANIES AND SHIPPING OFFICES ASHORE.COMMENCEMENT DATES WILL BE ANNOUNCED.			
11.		IN COLLABORATION WITH SINGAPORE MARITIME ACADEMY (SMA).DURATION AND COMMENCEMENT DETAILS WILL BE ANNOUNCED SHORTLY			
STCW COURSES - DURATION		COURSE DATES		FEES	
				NON-RES	RES.
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13.	GMDSS(MCA, UK APPROVED) 10 days	17 / 09 - 26 / 09 15 / 10 - 24 / 10	19 / 11 - 27 / 11 17 / 12 - 26 / 12	Rs.18,000	Rs.20,000
14.	SPECIALISED TANKER SAFETY COURSE (DGS APPROVED) 11 days	02 / 01 - 13 / 01 06 / 02 - 17 / 02	06 / 03 - 17 / 03 03 / 04 - 14 / 04	Rs.5,000	Rs.6,800
15.	SPECIALISED TANKER SAFETY UPGRADATION COUSE (DGS APPROVED) 2 days	16 / 01 - 17 / 01 20 / 02 - 21 / 02	20 / 03 - 21 / 03 17 / 04 - 18 / 04	Rs.1,200	Rs.1,500
16.	PROFICIENCY IN SURVIVAL CRAFT AND RESCUE BOATS(DGS APPROVED) 5 days	02 / 01 - 06 / 01 16 / 01 - 20 / 01 06 / 02 - 10 / 02 20 / 02 - 24 / 02	06 / 03 - 10 / 03 20 / 03 - 24 / 03 02 / 04 - 06 / 04 17 / 04 - 21 / 04	01 / 05 - 05 / 05 15 / 05 - 19 / 05 05 / 06 - 09 / 06 19 / 06 - 23 / 06	Rs.3,600 Rs.4,350
17.	TANKER FAMILIARISATION COURSE (DGS APPROVED) 5 days	16 / 01 - 20 / 01 06 / 02 - 10 / 02 20 / 02 - 24 / 02 06 / 03 - 10 / 03	20 / 03 - 24 / 03 28 / 03 - 01 / 04 10 / 04 - 14 / 04 24 / 04 - 28 / 04	08 / 05 - 12 / 05 22 / 05 - 26 / 05 05 / 06 - 09 / 06 19 / 06 - 23 / 06	Rs.2,500 Rs.3,250
18.	MEDICARE COURSE (DGS APPROVED) 10 days	02 / 01 - 12 / 01	05 / 03 - 15 / 03	02 / 05 - 13 / 05	Rs.5,000 Rs.6,650
19.	MEDICAL FIRST AID COURSE(DGS APPROVED) 4 days	06 / 02 - 09 / 02	03 / 04 - 06 / 04	19 / 06 - 22 / 06	Rs.2,500 Rs.3,100
20.	FIRE PREVENTION AND FIRE FIGHTING COURSE (DGS APPROVED) 3 days	01 / 01 - 03 / 01 15 / 01 - 17 / 01 01 / 02 - 03 / 02 15 / 02 - 17 / 02	01 / 03 - 03 / 03 15 / 03 - 17 / 03 02 / 04 - 04 / 04 16 / 04 - 18 / 04	03 / 05 - 05 / 05 17 / 05 - 19 / 05 04 / 06 - 06 / 06 18 / 06 - 20 / 06	Rs.1,850 Rs.2,300
21.	PERSONAL SURVIVAL TECHNIQUES COURSE (DGS APPROVED) 3 days	04 / 01 - 06 / 01 18 / 01 - 20 / 01 05 / 02 - 07 / 02 19 / 02 - 21 / 02	05 / 03 - 07 / 03 19 / 03 - 21 / 03 05 / 04 - 07 / 04 19 / 04 - 21 / 04	07 / 05 - 09 / 05 21 / 05 - 23 / 05 07 / 06 - 09 / 06 21 / 06 - 23 / 06	Rs.1,500 Rs.1,950
22.	PERSONAL SAFETY AND SOCIAL RESPONSIBILITIES COURSE (DGS APPROVED) 3 days	08 / 01 - 10 / 01 22 / 01 - 24 / 01 08 / 02 - 10 / 02 22 / 02 - 24 / 02	08 / 03 - 10 / 03 22 / 03 - 24 / 03 09 / 04 - 11 / 04 23 / 04 - 25 / 04	10 / 05 - 12 / 05 24 / 05 - 26 / 05 11 / 06 - 13 / 06 25 / 06 - 27 / 06	Rs.1,000 Rs.1,450
23.	ELEMENTARY FIRST AID COURSE (DGS APPROVED) 2 days	11 / 01 - 12 / 01 25 / 01 - 26 / 01 12 / 02 - 13 / 02 26 / 02 - 27 / 02	12 / 03 - 13 / 03 26 / 03 - 27 / 03 12 / 04 - 13 / 04 26 / 04 - 27 / 04	14 / 05 - 15 / 05 28 / 05 - 29 / 05 14 / 06 - 16 / 06 28 / 06 - 30 / 06	Rs.625 Rs.925

- N.B. 1. ALL CANDIDATES MUST PRODUCE A MEDICAL CERTIFICATE VIDE MEDICAL EXAMINATION (SEAFARERS) CONVENTION 73 UNDER ILO CONVENTION 147, IN THE ORIGINAL, PLUS ONE COPY. ORIGINAL WILL BE SIGHTED, COPY WILL BE RETAINED
2. ONE COPY OF COC / COP IS REQUIRED.
3. PASSPORT SIZE PHOTOGRAPHS REQUIRED : TWO FOR GMDSS(U.K), THREE FOR GMDSS (IND) AND ONE FOR ALL OTHER STCW COURSES
4. BOOKING WILL BE MADE ONLY ON PAYMENT OF FEES. DEMAND DRAFT MAY BE SENT IN FAVOUR OF DIRECTOR, AMET, PAYABLE AT CHENNAI. CHEQUES NOT ACCEPTED. CASH ACCEPTED.
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(Contd. from page 11)

Maritime Cyprus 2007 is the tenth conference since the event was first held in 1989. It is considered one of the three most important maritime events worldwide. Around 800 delegates are participating in this year's Conference, which ends tomorrow.

Communications and Works Minister Maria Malaktou-Pampalli yesterday welcomed Barrot's statements, saying they were "very important".

The Cyprus Maritime 2007 Award was awarded this year to the Cyprus Marine Environment Protection Association (CYMEPA) for its contribution in encouraging ship owners, seamen and the general public to take action in preventing sea pollution.

US, Canada Ink New Investment Tax Treaty:

WASHINGTON, DC- The US and Canada have signed a new tax treaty aimed at easing the flow of investment between the two countries; announcement of the new pact marks the 20th anniversary of the signing of the US-Canada Free Trade Agreement, which is credited with boosting two-way trade between the neighboring countries to more than \$500 billion a year.

NITL, PMSA Call for Truck Plan Review:

LOS ANGELES -The National Industrial Transportation League and the Pacific Merchant Shipping Association are asking the Federal Maritime Commission to review the "legal, logistical and anti-competitive impacts" of the Clean Truck Plan (CTP) proposed by the ports of Los Angeles and Long Beach; both groups say the plan "will cause "immediate economic harm" and "eliminate jobs, limits competition and sets barriers to entry that would impose substantial economic hardships."

Maritime Highways: Some readers may remember Sean Connaughton, former chairman of the Prince William County board of supervisors. Grappling with transportation and land use issues was one of his biggest challenges until he resigned to take a job as chief of the Maritime Administration for the Bush administration. Well, you take the boy out of Prince William, but you can't take Prince William out of the boy. It

turns out that traffic congestion is still one of Connaughton's obsessions.

Connaughton's signature initiative is the "Maritime Highway," a program to divert shipping containers from trucks to barges on inland waterways. Removing thousands of trucks from the Interstates, he hopes, will help alleviate traffic congestion. To test the viability of the concept, he's proposing two pilot projects, one of which would move cargo between the ocean ports of Hampton Roads up the James River to the riverine Port of Richmond. Peter Galuszka has the story here.

There are practical reasons why shippers prefer trucks -- they're faster, and they fit better in just-in-time manufacturing supply chains. But there are circumstances in which barges make more economic sense. Connaughton hopes to shift the odds in favor of barges by tinkering with a federal dredging tax that punishes containers loaded with value-added products. He's also trying to raise seed money to demonstrate the viability of the concept along the James River -- something the private sector hasn't been willing yet to undertake. With gasoline prices rising, the value proposition for barges over trucks is looking better all the time.

There is no silver bullet for solving Virginia's traffic congestion. The best we can hope for is to identify dozens of solutions, some of which, like land use reform or congestion tolls, can address big chunks of the problem, and some of which, like maritime highways, take small slices out of the problem. It's nice to know that Connaughton has been thinking creatively about problems back home during his tenure in Washington, D.C.

Marina probe on sinking of Cebu-based ship starts; company aids survivors:

THE owners of a Cebu-based ship that sank off Palawan Friday last week appealed for the public to pray for the safety of the 14 missing officers and crew.

That, as the shipping firm sent funds to Cuyo General Hospital in Palawan as payment for medical attention given to four survivors, one of whom was said to be in critical condition.

Chief mate Roulete Sapallida, oilers Marlon Tiguman and Rey Cabuhay, and apprentice Richard Abrigona will be brought home to Cebu once they are

discharged from the hospital.

They were rescued by the crew of the passing fb Alester, a fishing boat owned by Irma Fishing Corp.

JPS Manager Gallegher Gallarde said the missing men, who include ship captain Renato Dongallo, need prayers.

In it marine protest, JPS Shipping, a member of the United Trampers Association of the Philippines, told the Philippine Coast Guard (PCG)-Cebu that mv Mia capsized off Cabile Island, about 20 miles off Tubbataha Reef in Palawan.

According to the document, a copy of which the PCG received the other day, mv Mia left San Fernando, Cebu last Sept. 27 (not Sept. 26 as earlier reported) carrying 880 metric tons (about 22,000 bags) of cement from Taiheiyu Cement Phils. Inc.

The cargo was to be delivered to EEI Engineering Equipment at Brooke's Point in Palawan.

Gallarde said the EEI chartered their vessel for that transport only.

In the marine protest, Gallarde stated that the last communication they received from mv Mia was at past 3 p.m. last Sept. 28.

He said the ship informed their office that instead of arriving at 6 a.m. on Sept. 29, it would reach Brooke's Point around 1 p.m. yet, or a delay of seven hours.

Maritime Industry Authority (Marina) 7 marine specialist Mardon Martin said they will continue investigating how and why the cargo vessel sank at the height of typhoon Hanna.

To this end, testimonies of the four survivors are important, he said.

In a separate interview, Marina 7 Director Glenn Cabañez hoped to get some developments today, after a 24-hour rescue operation for the 14 missing crew proved fruitless.

Gallarde said they were informed that the Philippine Navy and the PCG had created a joint rescue operation using big patrol boats and helicopters.

Securing Maritime Cargo is Vital to U.S. Security and Economy: New Report Urges Use of "Smart" Containers in Addition to Cargo Screening. WASHINGTON, DC - Maritime trade is a critical part of our economy, but it also represents a serious vulnerability that must be addressed, according to a new report from the

nonpartisan Reform Institute. Containing the Threat: Protecting the Global Supply Chain Through Enhanced Cargo Container Security presents a broad overview of the threats involving maritime cargo and provides recommendations for strengthening cargo container security. Over 90% of global commerce is carried over the sea. Likewise, maritime commerce is a major pillar of the U.S. economy. This reliance on shipping represents a potential vulnerability; a terrorist attack involving shipping could severely disrupt the global supply chain and cripple the economy. Cargo containers represent a potential vehicle for a weapon of mass destruction to reach U.S. shores. Securing cargo containers and ensuring the flow of goods are key issues for homeland security, and the source of much debate.

Recent legislation mandating that all U.S.-bound maritime cargo loaded at foreign seaports be radiation screened within five years has stirred controversy and doubts concerning the implementation and cost-effectiveness of such a requirement. "While there are some legitimate concerns regarding the 100% screening requirement, the fact of the matter is that it is now the law. Instead of procrastinating and posturing for extensions, all the players should see this as an opportunity to enhance the resiliency of our supply chain," stated the report's author, homeland security expert Robert Kelly. "The mandate is workable if innovations such as 'smart' containers are utilized, the public and private sectors collaborate closely, and real leadership is exhibited," added Mr. Kelly, Reform Institute Senior Advisor and Managing Partner of CenTauri Solutions, LLC.

Resiliency is the major focus of the Reform Institute's work on homeland security. "The Reform Institute is committed to strengthening the ability of the U.S. to withstand and quickly bounce back from a catastrophic event without

severe disruption to economic and social activity," according to Reform Institute Executive Director Cecilia Martinez. "Under the direction of Bob Kelly, we will educate policy makers and the public about the need to focus on resiliency in homeland security policy and provide practical solutions for achieving resiliency." Mr. Kelly's distinguished public service career included serving on the White House staff as General Counsel, Office of Administration in the Executive Office of the President, and Deputy Assistant Secretary of Defense (Drug Enforcement). He also served as an officer in the U.S. Coast Guard. He also possesses extensive private sector experience.

Reform Institute: The Reform Institute is a not-for-profit 501(c)(3) educational organization, representing a unique, independent voice working to strengthen the foundations of our democracy and build a resilient society. The Institute champions the national interest by formulating and advocating for valuable, solutions-based reforms in vital areas of public policy, including homeland and national security, energy independence and climate stewardship, economic opportunity, immigration policy, and government and election reform.

\$270 invested in U.S. last

year: THE US Maritime Administration has issued a report saying that, last year, capital investments in the country's shipbuilding and repair industry amounted to US\$270m. Over the six-year period from 2000 to 2005, a total of \$2.336bn was invested in the industry. The commercial shipbuilding and ship repair industry employs nearly 40,000 skilled workers. The report singles out Aker Philadelphia as a "recent success story for the American shipbuilding industry". It says: "Not too long ago, the land where Aker now stands was a closed US Navy shipyard. Today Aker is

scheduled to deliver six vessels with a combined value of \$700m, and has a backlog of up to another 11 vessels worth in excess of \$1bn billion. The shipyard went from zero jobs in 1997 to a workforce of over 1,300 employees today." Marad notes: "Since the mid 1990's, the industry has been experiencing a period of expansion and renewal. The current expansion is largely market-driven, backed by long-term customer commitments. The new assets are much different and more productive than those they replace. For example, articulated double-hull tank barge units (ATB's) have replaced single-hull product tankers in U.S. coastal trades, new dual propulsion double-hull crude carriers have replaced 30+ year-old, steam propulsion single-hull crude carriers in our Alaska/West oil trades. The new crude carriers are larger, faster, more fuel efficient and have a four-fold increase in pumping capacity over the vessels they replaced. Almost \$5bn worth of double hull construction and conversion work will take place by 2015 to meet the double hull requirement under Oil Pollution Act of 1990."

Threat of fines over fleet: State blasts delays in cleanup plan for rusting ships:

The U.S. Maritime Administration is taking too long to clean up tons of toxic paint falling from obsolete ships into Suisun Bay and state water regulators warned the agency Tuesday that it may soon face fines for breaking California pollution laws.

Penalties could reach as high as \$25,000 per day, according to the Notice of Violation by the Bay Area Water Quality Control Board. Tuesday's notice marks the first time state regulators have taken action that could result in fines in the long-running dispute with the federal government over several environmental issues.

There are 74 ships in the so-called

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mothball fleet just east of the Benicia Bridge, according to the Maritime Administration's most recent inventory, with at least 56 slated for disposal. MediaNews, citing federal documents, reported in June that more than 21 tons of toxic paint had fallen from the ships' exteriors and that another 65 tons remained on the vessels and threatened the bay.

The water board on July 6 ordered a cleanup plan be submitted by Aug. 6. The Maritime Administration's only response was a short letter saying the matter would be studied. In the notice sent Tuesday, the board's executive officer, Bruce Wolfe, said the response is not adequate.

"There is an ongoing discharge of hazardous waste into Suisun Bay, and we are very concerned about it," David Ellias, an engineering geologist with the board said Tuesday. "This is our standard response to someone who doesn't submit a (cleanup) plan."

Maritime Administrator Sean Connaughton did not respond to an e-mail, and a request to speak with him left with a spokeswoman, Susan Clark, who would not take questions about the matter.

The notice sent Tuesday reflects growing frustration of state regulators over the Maritime Administration's response to environmental concerns over underwater hull cleaning for the fleet and the need to take samples from the bottom of bay to determine how far pollution from the peeling paint may have spread.

It would take a formal vote by the regional water board to issue fines threatened in Tuesday's letter. Wolfe described the board's action as a "progressive enforcement policy." Fines could reach \$25,000 a day if set by a judge, according to the notice. No ships belonging to the administration have been moved from the Suisun fleet for disposal since January.

Besides the paint peeling from the vessels, the Maritime Administration also faces problems with how to clean the hulls under the water before hauling the ships to Texas scrapping yards. Cleaning done in the water has been found to cause pollution and a system designed to capture metals performed poorly in tests. The Coast Guard requires the cleaning to stop the spread of non-native marine organisms.

LEGAL

1. Real intention: A RECENT decision of the commercial court in London involving attempted reinsurance recoveries in respect of losses at an oil refinery show "a preference when considering the terms of a reinsurance to try to identify the real intention of the parties", according to London law firm Lawrence Graham

The dispute involved two losses at an oil refinery which gave rise to questions of coverage under the reinsurance policies. The principal issue was whether the losses fell within the exclusion of liability for 'explosions' contained in additional terms in a document attached to the reinsurance slip, or whether these additional terms did not apply because the reinsurance was stated to follow the terms of the original policy.

The original insured was an oil refinery on the island of Aruba. The loss occurred to two pieces of machinery in the refinery - a visbreaker, a vessel used to crack crude oil into different hydrocarbon products, and a D1A Reactor unit. The visbreaker loss occurred when oil leaked onto it while it was being cleaned, and hot equipment nearby ignited it. The DIAR loss arose after a power cut had led to the reactor unit being shut down. When the reactor was restarted it became overheated and stayed so for up to twenty hours. This resulted in cracking up the vessel wall. The rupture to the walls caused an expulsion of hydrogen, although no-one in the vicinity noticed any kind of 'explosion'.

Both claims were settled by the claimant Lloyd's syndicate, which then sought to recover from the defendants, Continental, under the reinsurance.

Continental reinsured the syndicate on conditions which were expressly stated "to follow the terms, clauses conditions, exceptions and settlements of the original policy wording as far as applicable". The original policy insured the onshore property against all risk of physical loss or damage. There was no mention or definition of the terms 'accident' or 'object' in the insuring clause or in defining the perils insured against in the original insurance. These terms ("the additional conditions") only appeared in connection with a clause dealing with damage caused by hazardous substances.

The additional conditions were however defined in a document attached to the reinsurance slip entitled 'Boiler &

Machinery Coverage Defined'. The definition of 'accident' in that document referred to the sudden breakdown of an object and excluded loss or damage arising from an 'explosion' other than one emanating from various stated parts of the refinery.

The syndicate argued that the additional conditions should not affect the terms of the reinsurance and there was no intention that they should, while Continental argued that the inclusion of the additional conditions restricted the cover provided by the reinsurance to losses from an "accident" in respect of property falling within the definition of "object".

In the commercial court, Mr Justice Andrew Smith found in favour of Continental. He rejected the two bases for the syndicate's contentions - the first that the follow-the-terms provision should mean that any mismatch in terms of the policies should be avoided, and the second that any ambiguity in the terms was to be interpreted against the reinsurers as they had suggested the inclusion of the additional conditions.

Continental succeeded in avoiding liability for the visbreaker loss, but the syndicate succeeded on the DIAR claim, in connection with which the judge noted that the facts did not demonstrate the manifest violence or shattering destruction that the word 'explosion' connotes. He thought the damage could instead be characterised as "bulging and cracking".

Lawrence Graham notes, "The interesting aspect of this judgment is that Smith J spent a significant portion

of it reviewing the legal position in relation to follow-the-settlement provisions, an issue that he was not even required to consider. The reasoning he used follows that in the recent Commercial Court case of *Wasa International v Lexington* (25 April 2007) in which Simon J also gave priority to an express clause in a reinsurance contract over a differing clause in the underlying insurance even though there was a follow-the-settlements provision and the contracts were closer to being back-to-back than in the present case.

"These recent cases show a preference when considering the terms of a reinsurance to try to identify the real intention of the parties and a reluctance to rely on 'as original' and follow the settlements wordings for this purpose. Parties should therefore be aware of

inconsistencies between underlying insurance and reinsurance contracts where they are hoping to achieve back-to-back cover. Any failure to do so could leave a reinsured open to risks that were initially intended to be covered. (Aegis Electrical & Gas International Services Company Limited V Continental Casualty Company).

2. Distillates switch 'unfeasible':

THE International Bunker Industry Association (IBIA) was told at its annual convention in Montreal this month that a new report estimates that it would cost \$67billion over the next five years to implement a wholesale switch from traditional bunker fuels to distillates-only for the world merchant fleet. The distillates-only option was also described as "unfeasible", due to lack of sufficient refining capacity.

The report, prepared for the American Petroleum Institute (API) by EnSys Energy & Systems Inc and Navigistics Consulting, highlights the considerable costs of meeting possible stricter air emissions regulations imposed by a revised MARPOL Annex VI and, in particular, the huge costs and increased CO2 production entailed in implementing the switch to distillate fuel which has been proposed by, among others, Intertanko.

Speaking at the IBIA Convention in Montreal, Michael Leister, Manager of Fuels Technology for Marathon Petroleum Company and chair of the API Fuels Committee, said the results of the report are likely to be highly influential, coming just as the IMO group of experts works on its recommendations for the revision of Annex VI.

The study notes that any changes to bunker fuel specifications are very expensive and very energy-intensive, and Michael Leister told the IBIA meeting, "While some emissions may be lowered, CO2 emissions are likely to increase," stressing that an increase in sulphur reductions results in exponential and not linear increases in costs and energy use.

The report also found that using the SECA approach to lower emissions in the areas that have a demonstrated need is much more cost-effective than changing all bunker fuel, and noted that results suggest a large incentive for ship-board solutions. It concluded that following the Intertanko option would increase refinery and global CO2 emissions, would be very expensive as a result of major refinery

investment and large marine fuelling cost increases, would be very energy-intensive and would require significant additional overall refining capacity to avoid supply shortages. Further, it concluded that making the required refinery changes by 2012 was not feasible.

Converting to distillate fuel would cost \$67bn by 2012 and \$126bn by 2020 and increase marine fuel costs by a third by 2020. The option would involve a net increase of marine bunker fuel-related CO2 emissions of between 1.7 and 6 per cent, depending on assumptions relating to the use of coke in the process.

IBIA secretary-General Ian Adams says, "IBIA has always maintained that moves to further tighten air emission controls on shipping through changes to Annex VI must be based on a multiple solution approach. It supports moves to further reduce sulphur and other air emissions from ships, but it does not support simplistic one-stop solutions to the problem.

"A combination of low-sulphur heavy fuel oil, distillate fuels, alternative fuels and emission abatement equipment such as scrubbers will together give the shipping industry the means to cut emissions without compromising safety and efficiency."

3. Damages for breach of contract:

THE House of Lords has found by a majority in favour of charterers in a dispute over an alleged breach of charter dating back to the outbreak of hostilities between the US/UK and Iraq.

In 1998, the tanker "Golden Victory" was chartered to NYKK for a period of seven years (with one month more or less at NYKK's option). The earliest date for contractual redelivery of the vessel was December 6, 2005. But Clause 33 of the charter provided that either party had the right to cancel the charter if war or hostilities were to break out between any two or more of a number of countries, including the United States, the United Kingdom and Iraq.

On December 14, 2001, in breach of the charter party, the charterers purported to redeliver the vessel to the owners. The owners accepted that repudiation as terminating the charter and subsequently began arbitration proceedings seeking damages for the charterers' breach of contract. However, before the arbitrator had assessed the amount of damages payable, the second Gulf War began on

March 20, 2003.

The owners argued that this was irrelevant to the quantum of the recoverable damages, which were to be assessed at the date of the breach and amounted to the difference between the charter rate and the lower market rate then available for the whole of the remaining four-year period of the charter. Conversely, the charterers contended that the quantification should be made as of the date on which the damages actually fell to be assessed. Since Clause 33 would have enabled them to cancel the charter at the outbreak of the second Gulf War, they argued that damages should only run until then and that no damages were recoverable for the period from March 20, 2003.

Having decided that in December 2001 (the date of the repudiation of the charter party by NYKK) that the prospect of war was "merely a possibility", the arbitrator would have preferred to accept the owners' submission that the second Gulf War was irrelevant to their claim. Nevertheless, he regarded himself as bound by prior authority to decide otherwise.

The owners appealed to the high court on a point of law. But the judge upheld the arbitrator's award. He determined that the damages had to reflect the fact that, had there been no repudiatory breach by the charterers, the charter party would not have run its full term since it would have been cancelled on the outbreak of the war. A further appeal by the owners to the Court of Appeal was also dismissed. Nevertheless, the owners were given permission to appeal to the House of Lords.

The House of Lords also dismissed the appeal, albeit only by a 3 - 2 majority. Reporting the decision on its website, *Waltons and Morse* says, "The dissenting judges, who would have allowed the appeal, referred to the general rule that damages for breach of contract are to be assessed at the date of the breach, and stressed the importance of certainty in commercial transactions. However, the majority of the judges disagreed. Whilst certainty was desirable, it was not in their view a principle of law. Moreover, they concluded that the general rule mentioned above was itself subject to many exceptions and qualifications and was not to be applied mechanistically.

"They pointed out that the fundamental principle governing the quantification of damages for breach of contract was that

these should compensate the victim of the breach for the loss of his contractual bargain. So far as possible, he had to be placed in the financial position in which he would have been had the contract been performed. If the contract would have terminated early on the occurrence of a particular event, the chance of that event happening had to be taken into account in the assessment of damages. If it was certain that the event would happen, the damages had to be calculated on that footing.

"In this instance, of course, the event did happen - and before the damages had been assessed. In such circumstances, the majority concluded that it would be wrong to ignore it. The desire for certainty had to yield to the greater importance of achieving an accurate assessment of the damages based on the loss actually incurred. As was said by Lord Macnaghten in another case heard by the House of Lords at the beginning of the 20th century: 'Why should the [arbitrator/judge] listen to conjecture on a matter which has become an accomplished fact? Why should he guess when he can calculate? With the light before him, why should he shut his eyes and grope in the dark?'"

4. Deceit on inspection: THE English Court of Appeal has unanimously reversed the decision at first instance in the case of AIC Ltd v ITS Testing Services (UK) Ltd (The "Kriti Palm"). In its decision, the appeal court found that the respondent inspection company had, on the facts, committed the tort of deceit.

By a majority (Rix LJ dissenting) the court then held that, by failing to disclose the existence and the results of certain tests it had carried out on cargo samples after the issue of the relevant certificate, the respondent was in breach of duty. Further, that breach amounted to 'deliberate concealment' of a fact 'relevant to the plaintiff's right of action' under Section 32(1)(b) of the Limitation Act 1980, sufficient to render the plaintiff's action in this action timely.

5. Anti-fouling convention: AN international convention banning the use of harmful organotins in anti-fouling paints used on ships' hulls will enter force on September 17, 2008, following the accession by Panama to the IMO International Convention on the Control of Harmful Anti-Fouling Systems on Ships (AFS Convention).

When the convention is in force, ships will no longer be permitted to apply or re-apply organotin compounds which act as biocides in their anti-fouling systems. Vessels either will not bear such compounds on their hulls or external parts or surface or, for ships already carrying such compounds on their hulls, a coating that forms a barrier to such compounds will have to be applied to prevent them leaching from the underlying non-compliant anti-fouling systems.

The convention also establishes a mechanism to evaluate and assess other anti-fouling systems and prevent the potential future use of other harmful substances in these systems. It will apply to all ships, including fixed or floating platforms, floating storage units, and floating production storage and off-loading units.

Jindal Shipyards plans JV with Korean co for maritime park:

AHMEDABAD: Jindal Shipyards, a part of the \$8-billion OP Jindal group, is planning to rope in Korean Maritime Consultants (Komac) for setting up the country's first maritime technology park, expected to draw investment worth \$7.2 billion. Komac is chaired by DC Shin, known as the father of the Korean shipbuilding industry.

"We will invest \$1 billion in the next three years in this park, to be spread over 700 hectares. I have talked to Mr Shin about the project and he is keen, although no formal agreement has been signed so far," said Jindal Saw MD Indresh Batra.

Mr Shin, on the sidelines of seminar on shipbuilding, told ET: "We are ready to partner any company that is serious. Jindal has been talking to us and we hope they are serious. Many Indian companies talk and talk."

The park, to be called India Maritime Technology Park, will come up near Dahej. It will be on lines of Chinese cluster model and will get SEZ status later on.

The project will also house a maritime technology institute. "We are in talks with a Korean university and soon the curriculum will be decided which can be useful for other maritime institutes also," said Tim Gollin, advisor to Jindal Shipyards.

Shipping Corp plans to set up shipbuilding yards:

MUMBAI: After engineering giant L&T, India's largest shipping company Shipping Corporation of India has jumped into the fray for setting up world-class shipbuilding yards that will build vessels up to 3.20 lakh dead weight tonnes capacity.

This follows the Centre's decision to set up two such yards, one each in the east and the west coast. The Centre has also appointed Ennore Port and Mumbai Port Trust appointed as nodal agencies.

"SCI has definitely shown interest to be involved in ship building as well. We have indicated our interest to shipping ministry, who have welcomed the idea," SCI chairman and managing director S Hajara told media.

Each shipbuilding yard is expected to cost more than Rs 3,000 crore. SCI is not averse to the idea of bidding for both the greenfield shipbuilding yards in the east and west coast.

SCI also plans to set up a mega-dredging company in alliance with Mumbai Port Trust, Jawaharlal Nehru Port Trust, Kolkata Port Trust and Cochin Shipyards. The dredging company would look into all aspects of dredging including building dredgers and its operations.

"We have asked Ernst & Young to prepare a feasibility report in three months," he said.

"If the report is positive then it will go to the cabinet for approval," he said. Apart from SCI, L&T and Reliance have shown interest in setting up large shipyards in the country. Some foreign players such as Hyundai, Daewoo as well as domestic shipbuilders like ABG & Bharti have also evinced interest.

But the greenfield shipyards may take at least 3-4 years to begin after all the government clearances, which is expected to take at least one-year.

Both Ennore Port & Mumbai Port Trust have called for expression of interests in February and March. The two nodal agencies have held meetings with interested parties, including SCI, Hajara said. "We are keen on both the shipyards," he said.

Though no sites have been identified, the locations that are being looked at are in Gujarat, Andhra Pradesh and Tamil Nadu. The chief ministers of these states have evinced interest as it is a core

infrastructure industry that would generate employment and give lots of thrust to ancillary industries, he said.

Apart from these two shipyards, there is no restriction for private shipyards to come up with more. Some of the existing shipbuilding yards are expanding their facilities as globally they are running at a full capacity.

However, a few private players are awaiting the renewal of a subsidy for shipbuilding that lapsed in August. They would like to make an announcement once the government renews the subsidy. Hazara said subsidy or no subsidy, SCI would go ahead with its shipbuilding yard plans, which would have the capacity to build very large crude carriers.

SCI plans to collaborate with foreign companies for shipbuilding yards. "We would either launch a special purpose vehicle or go for a joint venture," he said.

The state-run firm, which has recently ordered 18 vessels at a cost of \$1.3 billion to meet its expansion plan, proposes to go for acquisition of 42 more ships soon at a cost of \$2-3 billion, he said.

Shipping directorate allays industry fears over CDC scam:

MUMBAI: The directorate general of shipping (DGS) has issued a statement to allay fears of international maritime community regarding the recent fake documents case in Mumbai. This follows a crackdown by the city police two weeks ago on a racket that churned out counterfeit continuous discharge certificates (CDCs) for seamen. The directorate has clarified that the certificates of competency are issued by DGS and has not delegated the work to any other entity. These certificates have been printed at the government security press and contain a number of security features that cannot be replicated. "The government is always on alert against the threat of fake certifications. The raid on the scamsters is an example of the seriousness and swiftness with which action is taken to nip all forged certifications rackets to ensure the continued reliability of the country's certification system," said Capt Harish Khatri, deputy DGS.

DGS has also requested shipping companies to take the precaution of verifying seafarers' certification before engaging them on board their ships. All global ship managers/ship owners have

been advised to recruit seafarers through registered recruitment & placement service (RPS) providers, list of which is available at DGS website. Further, the authenticity of the certificates can also be verified online from the official website. It further clarified that the Indian certification system has been made virtually unbreachable with the introduction of several checks and balances. The directorate maintains an electronic database (Indian National Database of Seafarers - INDoS) of all certificates, watch-keeping certificates, endorsements and other documents issued to the seafarers including CDC.

Maritime circles were shocked after Mumbai police burst a racket. The incident created ripples in the international market, since India is one of the leading suppliers of manpower in shipping industry. "The news that the over 1,000 seamen were onboard various ships with fake certificates is indeed not a happy situation. It was a cause for concern to ship managing and ship manning agencies who look upon India as a source of reliable and competent seafaring manpower," said an industry official. In the second week of September, the crime branch of Mumbai police had seized 228 CDCs, 1,645 certificates for firemen and mechanics and 57 government seals from three men in Mumbai, who had been remanded to police custody. Subsequently, their interrogation had revealed that they had sold more than 1,000 fake CDCs in the past three years. This meant that over a thousand illegitimate Indians aboard ships, according to police officials.

According to police, fake certificates were sold in the name of four major shipping institutions - BP Marine Academy, Yak Management & Marine Education, ARK Marine Academy and Ocean Education & Research Centre. Apart from fake CDCs of India, police have also unearthed counterfeit certificates belonging to seven other countries - including Bahamas, Liberia, Panama, Marshal Islands and Honduras. India is one of the leading suppliers of seafarers, Philippines, Chinese and East European countries being its competitors. "If not managed properly, this incident threatens to erode India's reliability in the international market," says another industry official.

RoRo Shortage Hits Car Trade:

While the Chinese automotive sector is experiencing double-digit growth, Chinese finished vehicle

exporters are facing stiff competition and ongoing logistics challenges in getting their products to foreign markets because of a lack of RoRo ships, according to a report on <http://www.cargonewsasia.com>. Zhang Xiaoyu, vice-chairman of the China Machinery Industry Federation said that while the number of China's vehicle exports has increased sharply, many of these cars lay in transit at ports because shipping companies simply do not have enough vessels to transport them. According to China Custom's figures, the mainland exported a total of 340,000 cars in 2006 - double that exported in 2005.

This represents a small part of China's total automobile output in 2006 of 7.28 million vehicles, leaving plenty of room for growth. Along with the increase in vehicle exports, the number of companies exporting cars increased to 1,175 in 2006, according to a local auto market researcher, of which 160 companies exported only one vehicle each and 650 companies exported less than 10 vehicles each. Many of these are companies which handle exports for China car makers such as Great Wall, Geely and Chery. An ongoing issue for Chinese finished vehicle exports is the shortage of roll-on/roll off (ro/ro) ship capacity. "Because of the lack of ro-ro ships, we mostly rely on Japanese and Korean ships, but they come just once a month," said Gu Jian Li, vice-general manager for overseas markets of Great Wall Automotive. "They give us limited space, so most times we have to use container vessels, which are likely to cause damage. Also, for a similar distance, Japanese and Korean companies are charged \$40-\$50 per cubic metre, while Chinese companies need to pay \$60-\$70." Companies such as Leif Hoegh Shipping (China), a joint venture, and Chinese shipping companies, Cosco and China Shipping are all increasing capacity - eight new ro/ro ships are due for delivery in 2007 - but not fast enough.

World's First LNG FPSO:

Höegh LNG announced that it has entered into agreements with major contractors and formally started the engineering and design for its first LNG FPSO Unit (Floating Production Storage and Offloading), with the objective to design and construct the world's first LNG FPSO. The company intends to develop its business model from pure LNG transportation into offering also solutions for LNG production and floating regasification terminals offering a complete offshore LNG supply chain.

CO₂ Emission Rules Planned for Ships:

Japan will develop fuel-efficiency standards for large ships over the next three years to cut carbon dioxide emissions. The standards will enable marine transportation companies to see the fuel economy of their ships, particularly large ones, before they are constructed. The transport ministry hopes the Japanese standards will eventually be upgraded to international standards.

SNAME Expands Internationally:

The Society of Naval Architects and Marine Engineers has been expanding internationally in recent years. Almost 20% of SNAME members live outside of North America. In an attempt to have some face-to-face contact with existing members in these regions, SNAME has initiated a series of Collegia where SNAME members from North America can meet with international members in a particular region, listen to what their interests and needs are from a professional Society and describe some of the existing and new initiatives which SNAME is implementing.

World's Largest Sailing Ship:

Star Clippers have been in discussions with shipyards to build a new five-mast vessel for the line for delivery in 2010. Expected to be the largest, most expensive sailing vessel ever constructed, the 7,400-gross-ton barque is modeled on France II, which at 5,000 gross tons was the world's largest sailing ship when it was launched in 1912. The ship will be 518 feet long (157 meters) and 61 feet at the beam (18.5 meters) with a draft of 20 feet (6 meters). The vessel will carry 37 sails for a total of 68,350 square feet (6,350 square meters) of sail surface area. The rig will extend 217 feet (65 meters) above the waterline, and the open deck area will be an 8,200 square feet (2,500 square meters).

Improved Shipbuilding Method:

Samsung Heavy Industries has developed a new shipbuilding system, called the "tera-block" method that allows the company to assemble a vessel from just two large ship blocks. An extra-large ship usually consists of dozens of blocks. But in recent years shipbuilders have been trying to reduce the number of ship blocks they need in order to boost their productivity. Bigger ship blocks allow for more efficient construction of blocks on land. And when they are welded together in a dock, bigger -- and thus fewer --

blocks lead to shorter assembly times.

Guidance for Protective Coatings:

ABS is assisting shipbuilders, ship owners and operators prepare for the new IMO mandated Performance Standard for Protective Coatings (PSPC) (IMO MSC 215(82)) by issuing a completely revised and expanded edition of its Guidance Notes on Inspection, Maintenance and Application of Marine Coatings. The IMO standards take effect on 1 July 2008 and will apply to the dedicated seawater ballast tanks on all ships of not less than 500 gross tons for which the building contract is placed on or after 1 July 2008; or, in the absence of a building contract, the keels of which are laid on or after 1 January 2009. The standards also apply to the double-side skin spaces of bulk carriers of 150m in length and upwards.

Joint Diesel Research Project Completed:

A multinational team of more than 40 European engine component suppliers, equipment manufacturers, universities, research institutions and shipping companies, led by the major diesel engine groups MAN Diesel SE and Wärtsilä Corporation, has successfully completed the major 43-month cooperative research project under the name HERCULES (High Efficiency R&D on Combustion with Ultra-Low Emissions for Ships). A budget of EUR 33 million for the project was partly funded by the European Union (EUR 15 million) and the Swiss Federal Government (EUR 2.5 million).

Future of India as a Crew Supplying Nation:

At a shipping conference held recently in Singapore, Capt. Pradeep Chawla (Anglo-Eastern Ship Management Ltd.) presented a paper on the current status and future of shipping's crew shortages, especially for the Indian seafarer. Apart from explaining why Chinese crews would not be much help to International shipowners (rapid growth of China's own shipping industry). Capt. Chawla called on the industry to support the requirement of Cadets - at least 2 per ship - to be added to international manning regulations, worldwide.

Promoting Safety at Sea:

The role of a flag state in assisting shipowners to achieve safe and efficient operation of ships cannot be understated, according to John Ramage, Managing

Director of International Registries (U.K.) Limited, which administers the Marshall Islands Registry. Speaking at the Motor Ship Propulsion Conference in Hamburg earlier this month, Mr. Ramage said that the shaping of new maritime regulations, in-depth investigations into vessel incidents and accurate round-the-clock technical support all come under a flag state's responsibility and are essential to promoting safety at sea.

Ship Knowledge — A Modern Encyclopedia:

This is the 3rd edition of Klaas Van Dokkum's clear and detailed examination of modern ship building and seamanship, fully illustrated in full colour. Eminently suitable for maritime students and those employed in shipping, shipbuilding and related fields. Includes chapters on law and regulation, construction, anchor and mooring gear, engine room, propulsion and steering gear, electrical installations, maintenance, docking safety and stability, etc.

Egyptian ferry sinks in Red Sea: A ferry carrying about 1,400 people, most of them Egyptians, has sunk in the Red Sea.

Fourteen bodies and about 100 survivors have so far been pulled from the water, Egyptian officials said.



The al-Salam Boccaccio '98 went down about 80km (50 miles) off the Egyptian coast during an overnight journey from Duba in Saudi Arabia to Safaga.

Rescue boats and helicopters are searching the area, but are being hampered by poor weather.

The cause of the sinking is not known, but there were high winds when it left Dubai.

The ship was carrying 1,310 passengers and 96 Egyptian crew, Jan Maher, a spokesman for the ship's Egyptian company, el-Salam Maritime Transport, told the BBC.

Most of the passengers were Egyptians working in Saudi Arabia, but some were said to be pilgrims returning from Mecca.

There were about 100 people from other countries, including Saudis and Sudanese, Capt Maher said.

"We don't know how many casualties there are or how the ship sank," he said.

The head of administration at el-Salam Maritime Transport, Adel Shukri, said he was not aware of any SOS from the crew.

The 35-year-old ship had been due to arrive at Safaga at about 0300 local time (0100 GMT).

Why?

Four Egyptian frigates were looking for survivors, said Egyptian Transport Minister Mohammed Lutfy Mansour.

Britain has sent the warship HMS Bulwark to help and it will arrive in a day-and-a-half, the Royal Navy said.

A spokesman for the Egyptian embassy in London, Ayman al-Kaffas, said there was "a vast area of water" for the rescue operation to cover.

Asked about the delay in the disappearance being reported, he said the rescue operation had started just after midnight, within an hour or an hour-and-a-half of the ship going missing.

The general manager of the Saudi branch of maritime insurance company Lloyds said the ship had met all safety requirements.

"The vessel was well equipped with all lifeboats and all her certificates were valid," Nizam Siddiqui said.

He ruled out the possibility of a collision with another ship, saying the other vessel would have reported the incident.

Shipping expert Paul Beaver told the BBC that overloading should not have been a problem.

There was a possibility one or more of the vehicles the ship was transporting could have moved, particularly in bad weather, he said.

A sister ship of the al-Salam '98 sank in the Red Sea in October after a collision. Two people were killed and 40 injured.

MSDF antiterrorism mission in Japan's own interest:

The current situations in Afghanistan and Iraq are altering the political landscape of the Middle East. Particularly important is the ongoing shift of the center of the region's political gravity from the Mediterranean coastal side to areas surrounding the Persian Gulf. This shift has a lot to do with the international community's worry about internal instability in Afghanistan, on top

of the Iraqi situation and the issue of energy security, namely crude oil supplies. The effect of the shift of the region's center of the political gravity is not limited to the rise in relative importance of Saudi Arabia and Iraq in political terms. The eastern side of the "Greater Middle East"--a geopolitical concept invented by the administration of U.S. President George W. Bush that comprises Iran, Pakistan and Afghanistan, among others--is forcing the political epicenter of the region to move from the Mediterranean Sea to the Gulf against the background of the issue of nuclear development and crossborder terrorism.

It should also be noted that the concentration in the Gulf area and the Arabian Peninsula of enormous wealth and foreign direct investment thanks to soaring crude oil prices is one factor behind the relocation of the political gravity. In Japan, which depends on the Middle East for more than 90 percent of oil imports, demand for oil--hopefully as cheap as possible--is destined to increase further. Therefore, the corollary is that securing the safety of the Persian Gulf and Indian Ocean sea lanes is a life-or-death issue for Japan.

The three-dimensional antagonism currently common to the Greater Middle East can be summed up as a clash between the international antiterrorist coalition and terrorist groups on the ground and in the air and sea. The Al-Qaida terrorist organization, in particular, remains active in the Gulf area, including Iraq, and in the nearby sea despite the

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war on terror, sanctioned by U.N. Security Council Resolution 1368, which was adopted soon after the Sept. 11, 2001, terrorist attacks on the United States.

In Afghanistan, the war on terrorism has taken four ways. The first form-- Operation Enduring Freedom (OEF)-- involves international troop deployments to directly engage the terrorists, while the second involves Maritime Interdiction Operations (OEF-MIO). The third form comprises International Security Assistance Force (ISAF) troops to help the Afghan authorities gain internal stability, and the fourth type is known as Provincial Reconstruction Team (PRT) deployments. It is especially noteworthy that France and Germany--both of which expressed opposition to the U.S.-led invasion of Iraq--have supplied troops to all four and three of the abovementioned missions, respectively, in and around Afghanistan.

Of the four types of troops, the first group, which is primarily fighting the Taliban and Al-Qaida, includes forces from about 20 countries. ISAF troops, mandated by U.N. Security Council Resolution 1368, are drawn from 37 countries, including all member states of the North Atlantic Treaty Organization, as well as non-NATO states, such as Azerbaijan. In reality, however, there can hardly be a difference between the two groups regarding their missions as both troops are deployed in combat zones where they inevitably have to engage in battles or encounter armed assaults. I had a firsthand opportunity to observe such dangerous duties in the spring of 2002 when I visited the Kabul command of ISAF, then led by Britain, as a member of the Japanese government-appointed mission looking into Afghanistan's reconstruction,

Troops from 27 countries are engaged in PRT international assistance activities, enhancing security and facilitating reconstruction. In Japan, the government and ruling and opposition parties once discussed whether it would be possible to send Japanese liaison officers to the ISAF command or deploy Ground Self-Defense Force troops on a PRT mission. However, both proposals were eventually dropped because of the possibility of Japanese troops entering combat zones. Just before and after the enactment of the Antiterrorism Law in 2001, the ruling and opposition parties concurred that in Afghanistan there were no noncombat zones like Samawah, southern Iraq, where GSDF troops later were deployed within the framework of the Constitution.

Regardless of the U.N. Security Council's resolution concerning the ISAF mission, it was concluded in Japan that the dispatch of Self-Defense Forces members would be extremely difficult. The opposition bloc was also opposed to a suggestion that SDF troops be sent to Pakistan, which neighbors Afghanistan.

The Constitution prohibits military threats and the use of armed forces, and bans activity by Japanese troops in combat zones. What then can Japan viably do on the basis of Security Council Resolution 1368 and other antiterrorism resolutions? Which path should Japan take in order to contribute to the antiterrorism campaigns in Afghanistan and other countries while fully upholding its national interests? One answer to these questions is Japan's current refueling mission in the Indian Ocean. Afghan President Hamid Karzai has said "the Maritime Self-Defense Force is playing an indispensable role" in the war on terrorism in Afghanistan. His remark makes clear the significance of the mission. As the Afghan leader said in a speech before members of the lower house's ad hoc committee for Iraqi affairs and terrorism, "Japan's refueling operations are for Japan, for international society and for Afghanistan."

The phrase "for Japan" has significant connotations. The MSDF's OEF-MIO mission--aimed at preventing maritime activities by terrorists and refueling naval vessels of other countries taking part in the war on terrorism in Afghanistan--covers an area stretching from the mouths of the Gulf and the Red Sea to the Arabian Sea, which is the northwestern part of the Indian Ocean. The total space is far larger than Honshu. The sea from the Gulf to the waters off Pakistan is an international route for oil tankers and other merchant ships to and from Japan and other countries. The international community's message that terrorists will not be given a free hand at sea is in line with Japan's national interest.

As Pakistani Defense Minister Rao Sikandar Iqbal mentioned last month, it is difficult for the Pakistani Navy to continue its participation in OEF-MIO operations without provisions of high-quality fuel from MSDF vessels. Of late, French and Pakistani naval vessels have become the largest beneficiaries, followed by the U.S. Navy. What is essential in this connection is an insight into the world from a viewpoint focusing on the confrontation between the international antiterrorist coalition and terrorist organizations. The OEF-MIO campaign

has been effective in stemming the trafficking of marijuana and other drugs by dhows, the area's traditional sailing boats. Subsequently, the campaign has kept terrorist groups from raising funds from drug transactions--indeed, it has emerged as a conspicuous symbol of the determination of sound-thinking countries, including Japan, to fight the drug menace worldwide. Even at sea, we must not let terrorists disrupt ordinary people's daily lives and the normal dhow trade.

In conclusion, the MSDF's refueling operations in the Indian Ocean are a good example of Japan fulfilling its international obligation to make due contributions to the world's war on terrorism in compliance with international law. Such a mission can be carried out as a matter of course, unlike the direct participation of SDF troops in the OEF antiterrorist campaign in Afghanistan and the deployment of Japanese troops to the ISAF plan, both of which are restricted by the Constitution. If doubts are cast on the significance of the MSDF mission by some in Japan, they seem to be based on the following factors--apart from arguments related to the ongoing battle for political leadership. First, there was suspicion that fuel supplies by the MSDF, carried out under the Antiterrorism Law, had been diverted to vessels involved in the war in Iraq. This turned out to be an erroneous Web display run by the U.S. military. Of course, Japan should keep a close eye on the eventual use of its fuel provisions in the Indian Ocean as there must be no irregularities. Second, there are some people who call for Japan's direct humanitarian assistance for reconstruction, in lieu of such an indirect approach as the MSDF refueling mission, to actively contribute to Afghanistan society. This sounds reasonable, but, given the treading-on-thin-ice experience in Samawah, we should be prudent about the dispatch of SDF members to areas that are prone to become "combat zones." Likewise, Japan does not have to send civilians to any dangerous zone. Those who criticize the fuel supply mission by likening it to a maritime gas station service may eventually want to see a repeat of the traditional "checkbook diplomacy."

Third, doubts have been cast on U.S. leadership of the "war on terror" after Washington failed to restore security in Iraq and began considering removing North Korea from its terrorist sponsors list. Although it is understandable that some Japanese people harbor a mistrust

of the United States, the MSDF's fueling mission should be seen from the viewpoint of Japan's obligation vis-a-vis the international antiterrorist coalition, or that of the protection of its own national interests on top of its cooperation with the United States.

Above all, unlike the deployment of GSDF troops to Iraq, Japan is now free from dangerous land-based duties thanks to the OEF-MIO mission. It should be noted this is a rare case of Japan being able to gain unanimous praise from the international community even when its activities are seemingly self-oriented and unilateral. There is no need at all for Japan to give up such a diplomatic advantage just for the sake of giving importance to the United Nations.

Yamauchi is a professor at Tokyo University's Graduate School of Arts and Sciences specializing in Islamic area studies and history of international relations, and is also the three-time head of Japan's mission for Cultural Exchange and Dialogue with the Middle East as well as a member of the Japan-Arab Dialogue Forum.

Dirty Energy Threatens Health of 2 Billion Poor People:

"The health of about 2 billion of the world's poor is being damaged because they lack access to clean energy, like electricity, and face exposure to smoke from open fires, scientists said on Thursday. Dangerous levels of indoor air pollutants from badly ventilated cooking fires are a common hazard, while lack of electricity deprives many of the benefits of refrigeration. Paul Wilkinson of the London School of Hygiene and Tropical Medicine said the world's richest populations use up to 20 times more energy per head than those from poor countries, posing a challenge to improve energy supply without pollution. Writing in the *Lancet* medical journal, Wilkinson and colleagues estimated 2.4 billion people worldwide were exposed to pollution from inefficient burning of solid fuels like wood, coal and dried cow dung. This causes around 1.6 million premature deaths each year - roughly double the level of deaths from air pollution in cities - and many more non-fatal cases of respiratory diseases. At the same time, around 1.6 billion people worldwide have no electricity. 'Paradoxically, the poor are using much less energy but they are getting all the adverse effects,' Wilkinson said in an interview. 'We in the more developed countries have access to clean

energy and are using much more of it and are contributing to the global problem of climate change, where the main adverse effects are likely to fall, once again, on lower-income countries."

Peat and Forests Help Save Permafrost from Melting:

"Permafrost may be buffered against the impacts of climate change by peat and vegetation present in the northern regions, according to a study by McMaster researchers. Permafrost is frozen soil that remains at or below 0°C for at least two consecutive years. Currently, it covers more than 30 per cent of the Earth's surface and about 42 per cent (four-million square kilometres) of Canada's land mass... 'A layer of peat above the permafrost acts as insulation by trapping air pockets, which reduce heat transfer and helps permafrost retention,' says Altaf Arain, co-author of the study. 'Vegetation can also help slow the rate at which permafrost melts because it shades the ground'... Arain says [studies predicting a rapid and accelerating melting of permafrost have] failed to consider the impact of peat and vegetation cover... On the other hand, Arain adds, disturbance of the ground cover on a local scale or fires in the boreal forest and tundra can lead to accelerated permafrost thaw. Forest fires in permafrost regions, which may become more prevalent in the future, can reduce surface organic layer, and this can affect ground thaw on both local and regional scales. Preservation of peat layer and forests may help in maintaining permafrost in northern regions."

Insurance Industry Throws Its Weight Behind ClimateWise Plan:

"The insurance industry launched a new climate change initiative in conjunction with the Prince of Wales yesterday, aiming to put pressure on both British businesses and consumers to take environmental issues more seriously. The so-called 'ClimateWise' principles were drawn up by a group of global insurers and brokers, as well as the Lloyd's of London market. The Prince of Wales' business and environment programme was also involved in the working party. As well as promoting environmental issues by rewarding customers who make an effort to reduce their carbon emissions, the industry also hopes to put pressure on businesses, by using its collective might as investors. The insurance industry accounts for around a

fifth of the entire London Stock Exchange, and has the power to vote off company directors that refuse to adopt eco-friendly policies. Commenting on the initiative, His Royal Highness, The Prince of Wales, said: 'The ClimateWise principles are targeted on those areas of skill and expertise within the insurance sector... I hope and pray that they will be useful in encouraging both collective and individual action to tackle climate change, and I do congratulate all those involved.' Peter Hubbard, chief executive of AXA Insurance and chairman of the working group that drew up the principles, added: 'The responsibility for addressing global warming rests with us all, and will require co-operation and agreement amongst individuals, businesses and countries. It is this spirit of co-operation that has led us to agree on the ClimateWise principles and to take the lead in raising this issue.'"

Beyond Green Shopping:

"Sorry, but shopping, even 'smart' shopping, is not our way out of the crisis. All that stuff is made of something scarce that came from the Earth, and it took scarce energy to put it together. Overconsumption, corporatism, advertising, the drive for growth and profit-those are the roots of this crisis. Real solutions begin with recognition that the Earth has limits that are now in plain sight. Ultimately all solutions will involve "powering down," using less energy, fewer materials-less consumerism. "Less and local" should be the standard, as well as deeply rethinking whether we can afford a system based on growth and wealth accumulation rather than sustainability, sufficiency and equity. On the point of equity, the key question is, 'How can we make the shift to less resource consumption while recognizing that many places do not now have enough, because of centuries of theft by industrial nations?' There will never be a permanent solution to these mega-problems without a good plan for wealth transfers to correct imbalances and achieve equity both within nations and among them. Far-reaching debt cancellation would be a start. And global agreements on water rights and reduced oil consumption can help jump-start the shift from global to local. Great crises also bring great opportunity. That's the impetus for a Washington teach-in, September 14-16, sponsored by the International Forum on Globalization, the Institute for Policy Studies and The Nation Institute."

Infuse creative leadership in shipping industry: Kalam

Half of India's contribution to shipping industry comes from Gujarat: Modi

Ahmedabad: Gujarat needs to infuse a culture of creative leadership in the shipping industry if it wants to become a global hub for ship-building, the former President, A. P. J. Abdul Kalam, said here on Saturday.

"Gujarat Maritime Board's mission [to become a global ship-building and vessel repair centre etc.] is good but it needs a new dimension. The industry should have people with passion and creative leadership qualities," Mr. Kalam said in his inaugural speech at a two-day International Seminar on Ship-building Opportunities in Gujarat.

Korea currently handles 40 per cent of the world's ship-building business and this it had been able to achieve through sheer will power of the people as epitomised by the father of its ship-building business Dong Shik Shin, Mr. Kalam said.

He said the country was on course to achieve 10 per cent GDP growth and the added vibrancy in the shipping industry would further boost the growth momentum, besides creating immense employment opportunities.

Terming the Gujarat government as proactive, Mr. Kalam said the State had a good industrial climate with a large coastline and the availability of raw materials made it conducive for the entrepreneurs to make a quick mark in the shipping sector globally.

India's contribution to the world's ship-building business is about one per cent,

half of which comes from Gujarat, Chief Minister Narendra Modi said.

"Our target is five per cent in the next three years for which the State government has taken an integrated approach that would see development of ports, infrastructure, ship-building, repair and refuelling hubs all along its 1,600 km long coastline," Mr. Modi said.

A ship technology centre will be set up in partnership with shipbuilders, which will focus on ship design and productivity improvement. Also, an innovative aid scheme would be started by which ship builders will be able to benefit from state support, Mr. Modi said.

"We foresee 100 shipyards coming up in Gujarat in a series of marine ship-building parks to be located along the coastline of the State and operating with an annual turnover of 30 million DWT by 2020," he said.

come from renewable sources. Yunus, honoured for his creation of the Grameen Bank which grants microcredit to the poor, said his country is bearing the brunt of climate change, with 40 percent of its land mass less than one metre (3.3 feet) above sea level. Sea levels are rising an average three millimetres a year, he said, and Bangladesh's 150 million people are already confined to living on around 144,000 square kilometres (55,598 square miles). 'Floods and Bangladesh are becoming synonymous,' Yunus said,



Exploring avenues: Gujarat Chief Minister Narendra Modi (left), the former President A.P.J. Abdul Kalam and Chairman, KOMAC, South Korea, Dong Shik Shin at a two-day international seminar on ship-building in Ahmedabad

The Chief Minister also spoke about the Sagar Khedu campaign, entailing an expenditure of Rs. 11,000 crore for the development of the coastal community.

Ship-building

Mr. Dong recounted how four decades ago his country embarked on the path to match the west in ship-building.

He promised all help to India in its objective to become a major ship-building centre.

Mr. Dong said despite India having a miniscule presence in the sector, many good ships had been built at Mumbai by capable Indian engineers.

adding that their frequency and intensity are increasing year by year. 'For many people around the world this is an issue of concern but for us it's an issue of life and death.' He called for global lifestyle changes to make the world a better place... Yunus said the lesson was that the world could not continue a lifestyle at the cost of the planet itself. 'So we have to find a lifestyle which is consistent with our principle or decision - we should leave the world safer than we found it!'

Nobel Peace Laureate Calls for Lifestyle 'Traffic Rule' to Fight Warming.

"The 2006 Nobel Peace Prize laureate Muhammad Yunus called for a worldwide lifestyle change, saying global warming is 'a matter of life and death' for low-lying nations like his own country Bangladesh. In a keynote speech to a symposium [in Seoul] on climate change, Yunus suggested a 'traffic rule' under which products bear red, yellow or green markings to indicate the extent to which they



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