



Maritime piracy and the devastating impact on global shipping

As the modern day global community and world trade operations have become so dependent on commercial shipping in order to keep 'the industrial machine' running: Countless criminals have seized the opportunity to exploit, terrorize, hijack and even extort merchant vessels on the high seas now more so than ever:

The bottom line?

Desperate people who have resorted to desperate measures, in order to survive in impoverished nations, which are wracked by poverty, famine, inflation, depression, lawlessness and exasperating third world standards of living... on all fronts. It boils down to a simple way for them to acquire money, sustenance and a deviant way of simply surviving.



One might not take much notice in regards to the entire enigma... but... it is estimated that 90% of world trade and commerce is dependent on international shipping! That is a staggering figure when one considers the scope, size and magnitude of today's global economy: Which as we know operates under the dynamics and auspices of international interdependency. No industry and trade? No economy, profit or commerce... period! The detrimental sociological, economic and financial impact could reach into the billions eventually as a direct result of global maritime piracy. As global recession increases, coupled with internal conflict in many third world countries: Drones of 'fed up and desperate' individuals have resorted to a life of piracy on the high seas. From the Straits of Malacca to The Gulf of Aden: Modern day 'pirates' are on the prowl and are proliferating at an alarming rate. They are brazen and in many ways foolishly arrogant, coupled with being a bit (over)confident. The financial impact and havoc which they wreak on the global economy is and will continue to worsen in the near future, as they continue to expand their operations and execute demonstrative assaults on merchant and commercial maritime vessels around the world. This clogs up open shipping lanes of course.

From the diplomatic side, society and rulers are faced with another serious global challenge/issue which has deep underlying side effects that do not fare well for modern day economics and global trade or commerce. This concern of course carries over into the industrial and corporate realm as well. Some of the paramount issues that are inherent to this enigmatic curse are the loss of human life, serious

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OUR LEGAL ADVISORS

Surana & Surana — International Attorneys



Head Office: International Law Centre, 61/63, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004, India.
Tel : 91-44-28120000, 28120002, 28120003
Fax: 91-44-28120001, E-mail: intellect@lawindia.com

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personal injury of crew members, insurance claims concerns, theft of high dollar vessels and ships, money lost from delivery delays, loss of business and commerce as a direct result in eventual lack of confidence in customers to utilize certain shipping lines, fear and intimidation: The list can go on and on. With so much emphasis and the definitive fact that global industry, trade, commerce and economy depends solely on safe, secure and open shipping lanes: Not one country on the face of this planet can ill afford to allow the problem of modern day piracy on the high seas to get any worse that it is at this present point in time. The need to eradicate and eliminate the problem(s) will eventually be the only course of action that will prove feasible on the economic, political, corporate, diplomatic and foreign affairs front(s).



WHETHER OUR NATIONAL MARITIME ADMINISTRATION (Mariners in DGS, takes record of such groundings or neglects them? Where, When, How? Human element issues on Indian Seafarers being neglected? - Dr. Chandran Peechulli

As we speak scores of international naval vessels from some 16 countries are patrolling the Gulf of Aden off the coast of Somalia alone: In order to deter the proliferation of piracy in that region alone. The price tag that goes along with that act of providing some sort of security is staggering in itself. A taxed global economy is footing the bill to keep the vessels in the region for security purposes. Thus: Another burden on the global economy. Once and if the perpetrators are actually apprehended: The price tag goes up in regards to the monies that are spent to keep them in custody and actually try them in courts of law. Steps have been taken to alleviate that cost as well through agreements with regional governments and authorities to some degree(s). International naval and military forces face the complex task of monitoring the region through maritime surveillance and monitoring. This task is carried out by a network of air, sea, space and electronic assets and measures... to name a few. Intelligence gathering is the key and an essential necessity in any military and law enforcement campaign as well. Intelligence gathering in respect to piracy, and terrorism, is difficult in that the ability to provide reliable information on piracy groups is difficult to acquire. That aspect of monitoring suspects and groups is easier said than done. Once an A1 intelligence network is established and the flow of good information is maintained: The task of combating a criminal/terrorists element(s) becomes a much easier task. The job and efforts of those involved becomes much easier in performing the task(s) as well: Whether they be law enforcement officials and/or military units. It takes a painstaking amount of work in establishing a dependable, legitimate and reliable network alone of good informants and more. That cost a lot of money to maintain and provide as well. The costs keep mounting up as one can easily see.

As the economic and political impact of international piracy on the high seas broadens: The economic, cultural and sociological impact will worsen. International shipping is a huge business and is pretty much the catalyst of global commerce, trade and industry. If it does not run smoothly... if you will... imagine the impact that would or will have on the global economy in the immediate future. Allowing thugs

and insolent individuals to continue their heinous assaults on commercial shipping and merchant vessels will only make things worse. Piracy in recent years has also reared its ugly head towards global cruise lines as well. The list goes on and on! The hijacking of the 'Maersk Alabama' incident, which transpired back in April of this year between the US Navy and Somali pirates: Provides a staunch reminder of the danger and threat to human life on both sides of the fence, which comes to play in this manner of incident. US Navy SEAL snipers were eventually employed to end the five day standoff. The hostage situation was ended by the use of deadly force in order to preserve the life of the vessels skipper... Captain Richard Phillips. Ongoing events have proven that this course of action has not deterred the pirates activities in the region whatsoever.

The business of piracy is broad and very complex. There is a lot more to its global outreach than just thugs shooting at unarmed vessels and taking the crew hostage for ransom money. With that: Viable solutions, coupled with a hard line approach to maritime piracy/pirates needs to be employed: As is the case in dealing with terrorist groups. The funds which can be utilized in a concerted global effort to eradicated piracy on the high seas will go along way in saving the global economy huge amounts of money in losses as a direct result of piracy itself. You cannot reason with insane and unreasonable people who have a desperate, fanatical and insane agenda which hinges on killing innocent people, terrorizing them, robbing them, blackmailing them, holding them for ransom, overthrowing them and more... in a plethora of skewed, delusional, psychotic, criminal thinking and anger.

(contd. on page 4)

From the Editor's Desk



"Knowledge is of two kinds. We know a subject ourselves, or we know where we can find information on it.".....
Samuel Johnson, English Author, Critic, & Lexicographer (1709~1784).

"Innovation changes knowledge into wealth". We need to understand and recognize that Goddess Saraswati and Lakshmi, should co-exist in this age of the business world. ... **Dr. Chandran Peechulli**

We, the present day professionals, need to oversee our subject comprehensively to look beyond, longer and better vision with a good mission, for necessary research and development avenues as a challenge. As a maritime nation, "INDIA", should- we not maintain high quality and strength of its sea/marine-power? Also, we need to continue improving it, taking into consideration the enormous man-power, in consideration of the nation's population. Even a layman taking a quick scan of the past monthly editorial contents, of the "Marine Waves", would soon realize that the Indian shipping industry is not in good shape. Don't we hear stories of corruption in the Indian ports, maritime administration and in the Indian Shipping industry as a whole, i.e., Un-regulated course fees, varying illogical faculty standards in academic/professional value concepts, disparities and discrimination in institutional wages paid in academic/professional maritime institutions causing disgruntlement resulting in disturbed mindset amongst teaching staff, resulting in poor teaching performance, shipping-companies having laid-up vessels, new building delays, cancellations, Ship-owners hard hit by current economic meltdown realities and hence shipping companies are also in financial troubles. Therefore, It's high time the ship-owners realize to cut-down the cost of the shore-management staff, with lean skeleton staff as done in the production/service area(offshore rigs and on fleet-ships, with squeezed manning). Limit their salary with those of others who are working ashore, instead of illogically comparing the salary of those working with occupational hazards of high risks and sacrifices, out on the deep seas.

"Marine Waves" strongly supports, "The International Transport Workers Federation" which tries to seek wage rises and other essential improvements for seafarers, under the International Bargaining Forum, consideration of a worthy cause in support and welfare of the seafarers, for their risks and sacrifices undertaken, working in one of the most hazardous profession and keeping the world trade through shipping alive and active. The recent rounds of negotiations in Singapore were described as "very difficult" by both employer and union representatives. ITF is truly realistic, in pushing for an increase in benefits and salaries given to the state of the industry? One can say that the union's role is not to roll over and agree with everything ship-owners and managers want, but demands should be tempered with annealing and hardening to the needs of the industry and business environment. What is needed in these wage negotiations is a realistic view of the current climate from all sides i.e. 360 degrees angle of vision, with the aim of ensuring as many seafarers employed, with fair conditions, as possible. It is but stupidity and unfair for one employed ashore, to compare the salary/ wages to that of the seafarers who work out on the deep seas in dangerous working conditions, with sacrifices from human life undertaking exceptionally risks, of high occupational hazards in life.

The obvious reason being, seafarers inability to get-together and express their genuine grievances for re-dressal. Marine Waves, requests its readers to widen their thoughts of their real life experience, document the same by sharing with others for improvement, towards seafarer's welfare and development. Never be distracted from unwanted elements but to concentrate on knowledge, in the line of our professional thinking. "INNOVATION changes knowledge into wealth". We need to understand and recognize that Goddess Saraswati and Lakshmi should co-exist, for quality of output, in this business world.

The Directorate General of Shipping in India, being responsible for establishing and maintaining operational standards, hastily rushed into establishing of maritime training and educational facilities, with the poor background of mariners, who are passed out apprentices from the DMET and those from the Training Ship Dufferin, Rajendra, Chanakya, those without teaching or academic credibility, not alienating and collaborating with relevant established institutional experiences, resulting in mushrooming of many maritime institutes in 1990's without the proper infra structure, on a trial and error basis, instead of proper foresight, planning and execution, with the result, off the shelf certificates in open market, CDC and STCW certificates. Hence the government and private sector in shipping has taken-off without the required support for a more global-oriented maritime education. Today, the world is looking upon "India" as a place of achievement, a source of intellectual capacity and a driver for global growth, in the visionary of the I.T. Sector. Hence, we all have reasons to expect our nation "INDIA" to be world's class one, maritime man-power exporter, while Philippines is currently driving the economy of their country, where their nationals (seafarers) are said to be remitting over \$4 billion to their home annually. "In the face of all the opportunities and prospects, however we are faced with the challenge of building the necessary human capital, at least for the maritime sector, with man power playing a significant role consistently.

The global shortage of seafarers has tremendously caused concern to International Maritime Organisation (IMO) and hence began a "go to sea" campaign last year, to attract entrants to the shipping industry. The campaign is still on and it is not yet clear, as to how far it can influence the choice of the youths globally who are physically and mentally fit, to take up challenging career at sea, considering e.g. the prevailing lacunae in our own national shipping administration, (mariners in the national shipping administration as examiners, fail candidates who successfully pass out from D G Approved Maritime Colleges/Institutions. Viewing the percentage of failures and number of attempts in MMD, (feedback from such trained candidates, speaks loud of the transparent situation), which being the main bottle-neck. Situation also speaks, as though these MMD Examiners have fallen from the sky. GREATER transparency is what the Indian citizen expects these days, after the RTI Act came into force. The same cry for less secrecy, greater transparency to better working performance efficiency in the Mercantile Marine Department of DGS, which is a fair and just demand in maritime circles, left active seafarer candidates fuming. "Lack of professional ethics" in Viva Voce.

Don't we not have to be concerned and worried, for not utilizing the available potential of our physically and mentally fit Indian youths, to churn them into trained and able seafarers, developing a robust pool of Indian seafarers (officers and ratings), to serve overseas, out on the oceans of the world, with resultant increase in foreign-exchange, filling the national exchequer, also view seafarers welfare, who take the good image of our nation. Protect and help the retired needy seafarers, who are neglected in their basic needs during their old age, while taking care of the rural un-employed. Retired seafarers are those who have brought in considerable foreign-exchange to our country, hence the government or philanthropists to consider old age homes for the senior citizen seafarers, as a welfare measure. This is mindful of the essence of the human element in any endeavor. This will also ensure that politicians and the general public, are better informed of shipping's great value and by promoting among people a career at sea through special emphasis's on the variety of opportunities it offers in the short, medium and long term.

"Marine Waves Trust" is focused upon doing justice to the voiceless seamen, more particularly to those working on foreign-going service conditions, which delivers higher economic benefits, unlike other areas of discipline where they reflect regional self-interest in opposition to a global approach. Provide seamen-all those working at sea(officers and ratings),employees of shipping companies placed onboard, with an environment of respect, integrity, achievement and fun for performing their works onboard excellently, in quality and services, learning continuously with updates and growing ambitiously along with the company, in order to serve the customers and the world community at large, in the shipping trade i.e. maintain an environment that will foster teamwork and provide for continuous improvement thereby achieving "Total Quality" in all the activities onboard. Processes within the power plant (E.R.) are energy efficient and their environmental impact reduced, without compromising the safe functioning of the vessel. Shall therefore ensure, that their employees are appropriately trained and motivated, to apply this policy in their daily work in line with Environmental Management Programs.

Dr. Chandran Peechulli, Ph.D; MBA; D.Sc; FIE(India), PgDIMS(UK), PgTED; FIPE; MSEI; MSNAME(USA),

Ex.Chief Engineer(Marine), G.M.(Tech) Crossworld Shipping, Managing Editor & Publisher - "MARINE WAVES" International Maritime Newsletter.

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Scenarios can and do pan out in a myriad of ways, as the criminal mind(s) seek creative and effectual ways to skirt or even counter law enforcement officials and military intervention.

Piracy is not the only realm in which this fact is applicable. Many merchant vessels are stolen globally by pirates and used for smuggling weapons, drug trafficking, terrorist activity, black market, illegal human organ trafficking and more. A dangerous scenario to consider: Imagine if a stolen merchant vessel was outfitted with a launch gantry in the cargo hold, with an easily acquired black market SCUD missile, which could be armed and/or outfitted with a nuclear, chemical or biological warhead: Then placed off the coast of the United States in range of a major metropolitan area and/or city... by a terrorist group! Not a scenario that anyone would want to come to fruition in any form or fashion... period!

As our Naval forces and those of the international community continue to stay on patrol in the hot spots of the world: The task that they face is a daunting one that covers hundreds of thousands of square miles. Technology, weaponry and man power are key: Coupled with a need to approach the entire problem from a harsher angle with more decisive action and tactics against international maritime pirates. Political correctness is not the manner with which any nation should employ in dealing with these blatant criminals who can and do threaten our very way of life, freedom, economic prosperity, global stability and security.

If definitive action and a more rigid policy is not employed, put in place or adhered to, the pirates will only laugh in the faces of the world's mightiest naval forces and governments and continue on their merry ways! That crime is costing the global economy an awful lot of money and sowing the seeds of fear within the merchant marine community... to name a few. Maritime piracy could eventually become the impetus for another 9/11, both for The United States and our allies. The members of The G8 and The European Union, along with the rest of the nations of the global community, can ill afford to have that occur: Especially now with the global economy in the tattered state that it is in at this point in time.

Cleaner shipping rules to hit fuel oil market: LONDON, July 24 - New regulations that will force the shipping industry to switch to cleaner fuel could snuff out nearly a quarter of European demand for fuel oil by 2015.

The package of measures will add to the woes of the dirtiest and least profitable oil product: sludgy, bottom of the barrel fuel oil left behind from refining more profitable motor fuels.

Under legislation voted in by the United Nations' International Maritime Organization (IMO), new sulphur content specifications for ships operating in the Baltic, the North Sea and the English Channel will be revised down from 1.5 percent to 1 percent next July.

Demand for shipping fuel, known as bunker fuel, in these key transport channels amounts to nearly a quarter of the European fuel oil market.

Demand in the region for even the lightest fuel oil grades could collapse when a 0.1 percent cap is introduced in the original Emission Control Area (ECA) in Europe from January 2015, compelling shipping firms to switch to lighter gas oil.

"We are expecting a step change in the gas oil market. The

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Shri R Venkatakrisnan, M.Com; MCA; MBA.,
"Marine Waves" International Maritime Newsletter, M107-5, Prefab
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(International Maritime Newsletter)
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CHENNAI - 600 090, INDIA

HEAD OFFICE

P.O. Box 5006, Besant Nagar, Chennai - 600 090, INDIA.
+91-44-42018982

REGISTERED OFFICE

Edited and Published at M107/5, Kalakshetra Colony,
29th Cross Street, Besant Nagar, Chennai - 600 090, INDIA.
Ph : +91-44-42018982

OVERSEAS ASSOCIATE - E.U. COUNTRIES

Dr. Swarna Prasad, M.Sc., PhD.,
No. 3, Bullar Street, Southampton, England, UK

E-mail: seafarersman@indiatimes.com
seafarersman@hotmail.com

Website: www.themarinewaves.com

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quantity (of fuel oil) consumed in this ECA is estimated at 20 million metric tons and that material is potentially going to shift to the 0.1 percent market," said Colin Birch, vice president of energy consulting group Purvin and Gertz.

The global sulphur cap will be reduced from 4.5 percent to 3.5 percent in 2012 and eventually fixed at 0.50 percent in 2020.

"In the long run, it will take away the main outlet for material coming from high sulphur crude as you can no longer use the residue from those crudes to make bunker fuels," said Birch.

"It is another large potential reduction in fuel oil demand."

In Europe, demand from shipping accounts for about 40 percent of the 90 million metric ton a year fuel oil market.

The rest comes from the manufacturing and power generation sectors but they too are turning to cleaner natural gas or lighter oil grades.

SUPPLY CRUNCH

European refiners are considering the legislation and will need to start investing in upgrades soon if they are to meet the potential surge in gas oil demand in 2015.

But with the differential of gas oil to crude oil -- known as the crack spread -- languishing near five-year lows many refineries are hesitant to commit funds.

"It is unlikely that refiners will see a long-term incentive to invest in residual fuel desulphurisation capacity," said Stefka

Ilieva, fuel oil analyst at energy consulting group Poten and Partners. Based on current refining capacity and planned upgrades, Purvin and Gertz estimate bunker costs could soar by about \$300 a metric tons as a result of the switch to gas oil.

One option would be for the shipping sector to fit devices known as scrubbers, removing sulphur from fuel oil onboard instead of during the refining process. But analysts said the costs associated with this were still unclear.

In the short term, next year's 1 percent sulphur cap could boost European demand for low-sulphur grades by 15 million metric tons a year and make a profit for refiners for that quality at least.

Traders expect diminishing demand in the high-sulphur market to send more exports to Singapore, the world's top refueling port.

Demand for heavy products in Asia is set to rise largely unfettered by environmental legislation. Since the region is not classified as an ECA it is only subject to more general global caps.

"Europe and Russia have been long high sulphur fuel oil and there is a natural arbitrage to Asia," said a Moscow-based fuel oil trader.

"This will increasingly be the case with the new legislation next year."

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

Chamber of Shipping Rejects Kyoto Protocol Concept:

THE International Chamber of Shipping (ICS) has dismissed the idea that the Kyoto Protocol concept of 'common but differentiated responsibility' should be applied to shipping. ICS Chairman, Spyros M Polemis, says in a statement: "Shipping is an inherently international industry which depends on a global regulatory framework to operate efficiently. Otherwise there would be chaos and serious inefficiency. The shipping industry believes that the achievement of meaningful reductions in CO2 emissions will be best achieved if nations agree that the development of detailed measures for shipping should be directed by governments at the International Maritime Organization - but respecting the outcomes agreed for the sector under any new UN Climate Change Convention."

He adds: "IMO has an impressive track record of adopting standards for shipping that are applied equally throughout the world, delivering maximum environmental improvement." added Mr Polemis. The shipping industry argues that the current Kyoto Protocol concept of 'common but differentiated responsibility' cannot be practically applied to shipping without the danger of significant 'carbon leakage'. Only about 35% of the world merchant fleet is registered in Kyoto Annex I countries which are currently committed to meeting the emissions reduction targets agreed in 1997. We fear that failure in Copenhagen, by the UN Framework Convention on Climate Change (UNFCCC), to agree that IMO should be given a mandate for delivering a CO2 reduction regime for shipping will greatly reduce the ability of the shipping sector as a whole to reduce its emissions."

ICS and its member national shipowners' associations have launched a new campaign to highlight the "global shipping

industry's firm commitment to reducing emissions of carbon dioxide" and its views on the main issues. The move is being made in advance of this December's United Nations Climate Change Conference in Copenhagen. As part of the campaign, and to coincide with the next round of pre-Conference UNFCCC negotiations, to be held in Bonn from 15 August, ICS has produced a new brochure - Shipping, World Trade and the Reduction of CO2 Emissions - which can be downloaded at www.marisec.org/co2. The ICS brochure explains what the shipping industry and its regulator - the United Nations' International Maritime Organization (IMO) - are doing to deliver a significant reduction in shipping's emissions. According to ICS, the consensus of opinion within the industry is that it may be possible for ships to reduce CO2 emitted per tonne kilometre by perhaps 15%-20% by 2020, through a combination of technological and operational developments aimed at reducing fuel consumption. In the longer term, advances in alternative fuel technologies may deliver further improvements. These estimates do not however take into account claims made to CO2 scrubbing technology developed by Singapore firm Ecospec.

ICS says in its statement: "Shipping is already the most carbon efficient mode of commercial transport, about 30 times more efficient than air freight. But it is fully recognised that CO2 emissions from the industry as a whole - some 3% of all global emissions - are comparable to those of a major national economy. The shipping industry accepts that the CO2 emissions reduction which ships must aim to achieve should be at least as ambitious as the emissions reduction agreed under any new United Nations Climate Change Convention."

Steady growth for passenger ships:

Continued modest but steady growth for the passenger ship sector over the next five years has been forecast in the latest Shipbuilding Market Forecast, published by Maritime London member Lloyd's Register - Fairplay Research.

"The projected fall-off in newbuildings for passenger ships is relatively small compared to other sectors of the shipping industry," observed Niklas Bengtsson, report co-author.

"This is because the passenger ship sector largely escaped the ordering frenzy of the last few years. The supply-and-demand environment for passenger vessels is different than for other sectors, which are now suffering from severe overcapacity."

The largest sector in this group is ferries, with a total fleet size of 6,316 ships as of May 2009. They are roughly divided 50-50 between passenger-only vessels, and those carrying passengers as well as rolling cargo (generally referred to as "ro-pax" in the maritime industry).

The annual growth rate of 0.5% over the past five years will slow very slightly to 0.4% during the next five years, according to the report. That translates into a total of 518 new ships being delivered by shipyards through 2013, down from 637 in the previous five years.

The cruise ship fleet, which currently stands at 507 ships worldwide, will grow at an annual rate of 2% during the next five years, virtually the same as the previous five years. The relatively flat growth curve is a reflection of the cautious approach of the larger cruise ship operators when it comes to capital investments, according to the report.

"The short-term outlook for the cruise industry is overshadowed by the current economic crisis, but given that consumer confidence at least has flattened out at the bottom, a turn upward seems highly likely in the second half of 2009," said Mr Bengtsson. "However, as far as the bottom line is concerned, the level of earnings will probably be quite low for all the large players. For smaller players, the outlook is even bleaker."

Sharp rise in crew abandonment cases:

CREW abandonments are once again becoming commonplace, with more and more seafarers stranded on account of the global economic downturn, according to the International Transport Workers' Federation (ITF). The problem has been a pronounced feature of both shipping sector-specific slumps and wider recessions in the past, and has never been entirely absent, even during periods of prosperity. But unions and employers have worked together more closely in recent years, in the hope of avoiding reruns of some situations that generated massive unfavourable publicity for the industry as a whole.

However, a spokesman for the ITF, a trade union umbrella group, said that the general trend in recent months is sharply upwards, with new cases coming in so thick and fast that up-to-date figures are difficult to calculate. A case in point is provided by Apostleship of the Sea, which is providing food to the crew of a ship alongside in the UK port of Hull in the wake of the collapse of Eastwind Maritime. The Catholic seafarer welfare concern said it had previously predicted an upturn in the number of seafarers stranded in ports around the world, and has been increasingly concerned that its prediction is now a reality. According to a statement from AoS, its chaplain in Hull, Anne McLaren, has been onboard to visit the crew of the Liberia-flag, 6,368 dwt, 1984-built reefer EW Snowden, made up of 22 Russian nationals.

"She has made sure that the crew have food, and will continue to support the crew in any way she can until the port agents and the shipowners reach an agreement," it added. "The crew is in good spirits and hopeful of a positive outcome, that they will be repatriated, and have their wages paid. Experience has shown the industry this is not always the case, but everyone is working towards this outcome." Another example - taken at random from the Lloyd's MIU casualty service - is Rioni, another reefer. Nine crew members, believed to be Ukrainian nationals, are currently stuck on the Bolivia-flag 1,324 dwt, 1962-built vessel at Banana, a port in the Democratic Republic of Congo, this time with little food or water.

One seafarer has already died, with the shipowner reportedly refusing to repatriate the corpse or pay overdue wages to the survivors. In early March the International Shipping Federation and ITF reached agreement on the principles of a mandatory solution to claims for abandonment of seafarers, and also claims regarding death and personal injury. Details have still to be finalised and the agreement is subject to approval at the International Maritime Organization and International Labour Organization, which will amend the new Maritime Labour Convention accordingly. "The crew is hopeful they will be repatriated and have their wages paid. Experience has shown the industry this is not always the case, but everyone is working towards this outcome."

Falling ship values hit owners and insurers:

Shipping accountant and business consultant Moore Stephens has warned that shipping companies, who are seeing the resale values of their vessels dropping, must be able to substantiate any decision to use future cash flow as an alternative to broker valuations when valuing vessels for assessment purposes. Meanwhile average adjuster WK Webster warns that a "huge reduction" in ship values means that cargo insurers will be bearing a much higher percentage of any salvage expenses and/or general average losses. The firm cites the case of a container vessel whose value decreased from about USD 40m to around USD27m in three weeks.

Writing in the latest issue of the firm's shipping newsletter, Bottom Line, Moore Stephens technical partner David Chopping says, "In recent months, many of the world's listed shipping companies have released their financial statements. It has been challenging. Companies have, amongst other things, had to consider whether their assets are impaired. Even a brief review of shipping company accounts highlights the number of impairments made. But many relate to items other than vessels and newbuildings. From a sample of 51 US-listed shipping companies, nearly 30 per cent have recorded impairment losses, but only half of those have recorded any on new buildings or vessels."

The history, importance of tonnage:

Tonnage is an important topic in the maritime industry. It forms the basis for manning regulations, safety rules, registration fees, and the calculation of port dues. The term derives from the taxation paid on "tons" of wine. It was later used in reference to the weight of a ship's cargo. However, in modern maritime usage, tonnage specifically refers to a calculation of the volume or cargo volume of a ship. It is a measure of the size or cargo capacity of a vessel. A common misconception by most people is that the tonnage calculated for the yacht is its actual weight. It is not. For centuries, each seafaring nation calculated a vessel's tonnage by its own rules. Methods of calculating tonnage were not consistently applied and, because they were

designed for sailing ships, could not be applied appropriately or fairly for the new steamships being launched in the middle of the 19th century. Substantial portions of a steamship were required for boilers, machinery and coal, thus limiting the proportion of the ship's space available for cargo. In 1854, Admiral George Moorsom of the British Board of Trade was tasked with creating a system for measuring ships. The British system concluded that harbor and other vessel fees should be proportional to the earning capacity of the ship, whether for cargo or passengers.

While the Moorsom System became the baseline for the majority of tonnage measurement systems, there still was no standardized set of international guidelines. One country did it differently from the next.

In 1969, the International Maritime Organization (IMO) approved the International Convention of the Tonnage Measurement of Ships. The convention harmonized the definitions for gross and net tonnages, plus the criteria for which measurements shall be made. These tonnage rules applied to all ships above 24 meters in length built on or after July 18, 1982, the date of entry into force. Ships built before that date were allowed to retain their existing tonnage for 12 years, or until July 18, 1994.

This lengthy phase-in period was intended to ensure that ships were given reasonable economic safeguards, since port and other dues are charged according to tonnage. At the same time, and as far as possible, the convention was drafted to ensure that gross and net tonnages calculated under the new system did not differ too greatly from those calculated under previous methods.

An additional key point that is often confused is the definition of length. As defined in the convention, length means 96 percent of the total length on a waterline at 85 percent of the least moulded depth measured from the top of the keel, or the length from the fore side of the stem to the axis of the rudder stock on that waterline, if that be greater.

In ships designed with a rake of keel, the waterline on which this length is measured shall be parallel to the designed waterline. Some flag administrations also call this the vessel's registered length. In layman's terms, the length defined for tonnage and exhibited on most certificates is not the length overall.

A ship or yacht on international voyages and greater than 24 meters exhibits its tonnage through an International Tonnage Certificate (ITC). This certificate is issued by the flag administration or a classification society on behalf of the administration.

For vessels smaller than 24 meters, it is the discretion of the flag administration whether to issue a comparable certificate or document, such as a Certificate of Tonnage or National Tonnage Certificate.

While not tonnage in the proper sense, the following methods of ship measurement are also often incorrectly referred to as such:

Displacement is the actual total weight of the vessel. It is often expressed in long tons or in metric tons and is calculated simply by multiplying the volume of the hull below the waterline (i.e. the volume of water it is displacing) by the density of the water. One should note that the water density will depend on whether the vessel is in fresh or salt water, or located in the tropics,

where water is warmer and hence less dense.

The word displacement arises from the basic physical law, discovered by Archimedes, stating that the weight of a floating object equates exactly to that of the water that would otherwise occupy the "hole in the water" displaced by the ship.

Lightship or Lightweight measures the actual weight of the megayacht or ship with no fuel, passengers, cargo, water, etc., on board.

Deadweight tonnage (often abbreviated DWT for deadweight tonnes) is the displacement at any loaded condition minus the lightship weight. It includes crew, passengers, cargo, fuel, water, and stores. Like displacement, it is often expressed in long tons or in metric tons.

Piracy - the international legal challenge:

Introduction: Recent increases in the severity and frequency of pirate attacks have had a dramatic impact on the international shipping community. So much so that a recent joint statement from international shipping groups¹ called for national governments to take "urgent measures now - today and not tomorrow"².

The recent spike in pirate activity has emphasised not only the physical dangers of navigating in the affected areas, but also the legal complexities within the current international law regime. This article will examine some of those complexities and their impact on the enforcement of international law in pirate-affected waters.

History: The earliest documented instances of piracy are the exploits of the Sea Peoples who threatened the Aegean and Mediterranean in the 13th century BC.

The Senate finally invested Pompey with powers to deal with piracy in 67 BC (the Lex Gabinia), and Pompey after three months of naval warfare managed to suppress the threat.

H Thomas Milhorn mentions a certain Englishman named William Maurice, convicted of piracy in 1241, as the first person known to have been hanged, drawn and quartered, which would indicate that the then-ruling King Henry III took an especially severe view of this crime.

A privateer or corsair used similar methods to a pirate, but acted while in possession of a commission or letter of marque from a government or monarch authorizing the capture of merchant ships belonging to an enemy nation. For example, the United States Constitution of 1787 specifically authorised Congress to issue letters of marque and reprisal. The letter of marque was recognized by international convention and meant that a privateer could not technically be charged with piracy while attacking the targets named in his commission. This nicety of law did not always save the individuals concerned, however, as whether one was considered a pirate or a legally operating privateer often depended on whose custody the individual found himself in - that of the country that had issued the commission, or that of the object of attack. Spanish authorities were known to execute foreign privateers with their letters of marque hung around their necks to emphasize Spain's rejection of such defenses. Furthermore, many privateers exceeded the bounds of their letters of marque by attacking nations with which their sovereign was at peace, and thus made themselves liable to conviction for piracy. However, a letter of marque did provide some cover for such pirates, as plunder seized from neutral or friendly shipping could be passed off later as taken from

enemy merchants.

According to recent legal analysis by the United States (US) Supreme Court, the US treated captured Barbary corsairs as prisoners of war, indicating that they were considered as legitimate privateers by at least some of their opponents, as well as by their home countries.

In the modern era, seaborne piracy against transport vessels remains a significant issue (with estimated worldwide losses of US \$13 to \$16 billion per year) particularly in the waters between the Red sea and Indian Oceans, off the Somali coast, and also in the Strait of Malacca and Singapore, which are used by over 50,000 commercial ships a year. A recent surge in piracy off the Somali coast spurred a multi-national effort led by the US to patrol the waters near the Horn of Africa. While ships off the coasts of North Africa, Iran and the Mediterranean Sea are still assailed by pirates, the US Navy and the US Coast Guard have nearly eradicated piracy in US waters and in the Caribbean Sea.

A marked spike in activity

The International Maritime Bureau (IMB) maintains statistics regarding pirate attacks dating back to 1995. Their records indicate hostage-taking overwhelmingly dominates the types of violence against seafarers. For example in 2006, there were 239 attacks, 77 crew members were kidnapped and 188 taken hostage but only 15 of the pirate attacks resulted in murder. In 2007 the attacks rose by 10% to 263 attacks. There was a 35% increase on reported attacks involving guns. Crew members that were injured numbered 64 compared to just 17 in 2006. That number does not include hostages/kidnapping where they were not injured.

Early in January 2009, the ICC IMB released its Piracy and Armed Robbery Against Ships Annual Report for 2008 revealing, among others, three key concerns for international shipping:

(a) Increase in incidence

According to the Piracy Reporting Centre of the IMB, in 2008 there was an 11% increase in reported piracy incidents. More significantly, there has been a 600% increase in attacks in the Gulf of Aden, off the Somali Coast, an important corridor for oil heading west through the Suez Canal (from 13 in 2007 to 92 in 2008). Indeed, attacks off the coast of Africa make up more than 64% of all reported incidents.

Further, it is generally accepted that the number of reported attacks does not reflect the real number.

(b) Increase in severity

The violence and sophistication of attacks reached new levels in 2008, with the largest tanker ever to be hijacked³ as well as the greatest geographic range of piracy to be recorded. Further, last year 889 crew were taken hostage and incidents involving the use of guns increased to 139, up from 72 in 2007.

Not only this, but the increase in ransoms in 2008 is estimated to have cost US\$18 to \$30 million in 2008. The initial demand in respect of "Sirius Star" was reported to have been US\$25 million, with the eventual payment said to be US\$3 million.

(c) Increased strategic impact

The localised attacks around the Gulf of Aden have caused some major shipping companies to consider redirecting ships around the Cape of Good Hope. Such deviations will have enormous consequences for international trade, especially in

the current global economic climate.

Therefore, the situation is already serious and is worsening. Before strategies for changing this trend can be considered, the very definition of piracy needs to be discussed.

Somalia - UN and EU responses

Much of the recent publicity around piracy has centred on the activities off the coast of Somalia.

United Nations Security Council

On 2 June 2008 the United Nations (UN) Security Council passed Resolution 1816 which expressed "grave concern at the threat that acts of piracy and armed robbery against vessels pose to the prompt, safe and effective delivery of humanitarian aid to Somalia, the safety of commercial maritime routes and to international navigation".

The Council decided:

that for a period of six months from the date of this resolution, States cooperating with the TFG (Transitional Federal Government) in the fight against piracy and armed robbery at sea off the coast of Somalia, for which advance notification has been provided by the TFG to the Secretary-General, may:

- enter the territorial waters of Somalia for the purpose of repressing acts of piracy and armed robbery at sea, in a manner consistent with such action permitted on the high seas with respect to piracy under relevant international law; and
- use, within the territorial waters of Somalia, in a manner consistent with action permitted on the high seas with respect to piracy under relevant international law, all necessary means to repress acts of piracy and armed robbery.

On 2 December 2008 that Resolution was extended for a further 12 months.

It is noteworthy that the UN Resolutions have been effected either at the request of, or in consultation with, the Transitional Federal Government of Somalia.

European Union

The Maritime Security Centre - Horn of Africa (MSCHOA) was set up by the European Union (EU) as part of a European Security and Defence Policy initiative to combat piracy in the Horn of Africa. This work commenced with the establishment of EU NAVCO in September 2008. This Coordination Cell working in Brussels established linkages with a broad cross section of the maritime community and provided coordination with EU forces operating in the region. In November 2008, the Council of the European Union took a major step further by setting up a naval mission - EU NAVFOR ATALANTA - to improve maritime security off the Somali coast by preventing and deterring pirate attacks and help safeguard merchant shipping in the region. From mid-December 2008, an EU Naval Task Group, supported by maritime patrol aircraft, will be operating in the region. Both MSCHOA and the Naval Task Group are under the command of Rear Admiral Peter Hudson, based at Northwood, United Kingdom.

The MSCHOA aims to provide a service to mariners in the Gulf of Aden, the Somali Basin and off the Horn of Africa. It is a Coordination Centre dedicated to safeguarding legitimate freedom of navigation in the light of increasing risks of pirate attack against merchant shipping in the region, in support of the UN Security Council's Resolutions (UNSCR) 1814, 1816 and

1838.

To do this effectively, MSCHOA needs to know about merchant vessels approaching, transiting or operating in the region. This website offers ship owners, ships Masters and agents the facility to register their details securely with MSCHOA, update positions of their vessels and receive information and guidance designed to reduce the risk of pirate attacks.

Definition

Piracy is defined in Article 101 of the United Nations Convention on the Law of the Sea (UNCLOS) as consisting of any of the following acts:

- (a) any illegal acts of violence or detention, or any act of depredation, committed for private ends by the crew or the passengers of a private ship or a private aircraft, and directed:
 - (i) on the high seas, against another ship or aircraft, or against persons or property on board such ship or aircraft
 - (ii) against a ship, aircraft, persons or property in a place outside the jurisdiction of any State
- (b) any act of voluntary participation in the operation of a ship or of an aircraft with knowledge of facts making it a pirate ship or aircraft;
- (c) any act of inciting or of intentionally facilitating an act described in subparagraph (a) or (b).

This largely reproduces the definition adopted in the antecedent 1958 Convention on the High Seas.

For statistical purposes, the IMB defines piracy as "an act of boarding or attempting to board any ship with the apparent intent to commit theft or any other crime and with the apparent intent or capability to use force in the furtherance of that act".

However, these definitions have been criticised as being out of date with modern piratical practices.

The increase in use of arms, ransom demands and hijacking (from 19 in 2007 to 49 in 2008) has blurred the boundaries of what remains piracy⁴. Especially with the advent of global terrorist groups potentially in partnership with large crime syndicates, there seems to be increasing difficulty to differentiate between acts of violence committed for "private" ends and "political" ends.

Major Frederick Chew of the Singapore Navy has attempted to resolve this issue by distinguishing the means, ends and effects of maritime terrorism and piracy. However, even using these terms, there remains a significant grey area where connections between pirate syndicates and terrorist organisations are unknown.

Further, it is unclear in the definitions whether "illegal" acts are to be defined by any given national regime or under international law. In either event, both present issues of consistency and coverage across multiple international jurisdictions.

Chief Engineer Sentenced: Carmelo Oria, a Spanish citizen who was the chief engineer on the Cyprus-flagged M/T Nautilus, was sentenced on May 6th in U.S. District Court in Massachusetts for maintaining inaccurate records that concealed a discharge of oil-contaminated water from the bilges of the M/T Nautilus, the Justice Department announced. Oria was sentenced to one month in prison, to be followed by

supervised release for a term of two years and a \$3,000 fine.

Oria pleaded guilty on March 9, 2009, to violating the Act to Prevent Pollution from Ships based on his role in discharging oil-contaminated bilge water directly into the ocean from the M/T Nautilus and then failing to record the discharge in the ship's records.

The government's investigation began in March 2008, when inspectors from the U.S. Coast Guard conducted an examination of the M/T Nautilus, following the ship's arrival in St. Croix, U.S. Virgin Islands, and subsequently in the Port of Boston. The M/T Nautilus is a 26,794 gross ton chemical tanker owned by Cyprus-based Iceport Shipping Company Ltd., and operated by Spanish-based Consultores de Navegacion S.A.

Engine room operations on board large oceangoing vessels such as the M/T Nautilus generate large amounts of waste oil and oil-contaminated bilge waste. International and U.S. law prohibit the discharge of waste containing more than 15 parts per million of oil and without treatment by an oily water separator—a required pollution prevention device. Law also requires all overboard discharges be recorded in an oil record book, a required log that is regularly inspected by the U.S. Coast Guard.

Oria served as the Chief Engineer aboard the M/T Nautilus between January and March 2008 and was responsible for all engine room operations. During that time, Oria ordered engine room crew members to discharge oil-contaminated bilge water from the ship's bilges directly into the ocean. When the M/T Nautilus entered the Port of Boston on March 22, 2008, the ship's log, which Oria was responsible for maintaining, failed to disclose the overboard discharge of oil-contaminated bilge water.

"This sentence sends a loud and clear message to crewmembers and companies alike that dumping pollution directly overboard and attempting to conceal it will lead to penalties," said John C. Cruden, Acting Assistant Attorney General for the Justice Department's Environment and Natural Resources Division. "Maritime companies and their employees must understand that violations of our Nation's laws are serious and the Justice Department stands ready to prosecute those who choose to ignore them."

"Our hope is that this case will send a strong message to those in the maritime community who might try to circumvent our nation's anti-pollution laws. It is necessary to ensure that the companies realize that violating our environmental laws will be taken seriously, and will ultimately cost them more than legally disposing of the waste," said Michael K. Loucks, Acting U.S. Attorney for the District of Massachusetts.

"The Coast Guard is committed to working with the maritime industry and federal, state and local law enforcement partners to protect the U.S. maritime environment from individuals who pollute our waters," said Rear Admiral Dale G. Gabel, Commander of the First Coast Guard District in Boston, Mass. "When these violations occur, the Coast Guard will work with our partners to ensure violators are held accountable under the law."

Russia calls for international court to try pirates:

SOMALI piracy appears to be rising up the international agenda, after both Russia's head of state and top naval officers in the US offered separate suggestions for tackling the growing

scourge.

Russian president Dmitry Medvedev on Monday called for an international court to be set up to try alleged pirates. The demand comes after the Russian navy recently revealed that it had captured a pirate vessel with 29 people on board off the coast of Somalia, but had not yet decided where to try the suspects.

Mr Medvedev told Russian television: "It is necessary to consider all possibilities, including, maybe, the formation of some kind of international court on this theme.

"Often states where these pirates come from do not take any actions, in short, they aid this kind of crime."

Meanwhile, US chief of naval operations Admiral Gary Roughead told reporters after a speech at the recent Navy League conference that action against pirates on land was needed to resolve the crisis.



"Pirates don't live at sea. They live ashore. They move their money ashore. You can't have a discussion about eradicating piracy without having a discussion about the shore dimension."

He said the area off the coast of Somalia was

four times the size of Texas and there were complex legal issues involved. Moreover, it is not clear that the shipping industry wanted to begin using armed convoys to protect ships against pirates.

Admiral Michael Mullen, chairman of the Joint Chiefs of Staff, also told the media after the conference that he did not support putting arms on commercial ships and that it was up to merchant ships to pay for their own protection.

"I am not a proponent of putting arms on anything," Adm Mullen said, adding commercial shippers could hire private security, but did not want to "because it costs them too much money".

He pointed out that less than 1% of the ships transiting the Gulf of Aden fall victim to attack, and combating piracy was therefore not his top priority.

He said one analysis had shown it would take 1,000 ships to effectively fight piracy, more than the entire US Navy fleet. "I've got a big globe. I don't have 1,000 ships that I can devote to that," he said.

LEGAL :

Dealing with a drunken sailor: A recent court case addresses a dilemma: A Scottish court has fined the captain of an offshore supply vessel for allowing crew members to return to his docked ship against the rules set down in the vessel's safety management policy and the ISM Code. The ruling related to an incident in 2007 when Captain Alexander Phimister was master of the offshore supply vessel Vos Viper. The ship arrived in Lerwick Harbour on 15 November 2007 to carry out repairs to the radio equipment. The repairs were delayed and so the ship remained alongside. The following evening, the 16 November, Captain Phimister went ashore with the second

engineer George Mains and the Chief Officer Gordon Buchan to celebrate his birthday at the local pub. Whilst they were there they met some other members of the crew. The party returned to the ship at around 0100 hours, where Chief Officer Buchan went to make a cup of coffee and fell down the stairs and tragically died as a result of his injuries. The subsequent post mortem showed that he was more than three times over the statutory alcohol limit of 35 microgrammes of alcohol in 100 millilitres of breath.

In passing sentence Sheriff Napier said: "Even though the vessel as docked, it was your responsibility to ensure that safety policies were complied with. You knew he was drunk when he boarded, you knew he was drunk and he died."

The Maritime and Coastguard Agency's Tom Robinson said: "The company had an established safety management policy that banned those that had been drinking to excess coming aboard. Through his own example Captain Phimister failed to ensure this was complied with and tragically on this occasion someone died. The sentence today should send a clear message that those in charge of a vessel have a duty to ensure regulations and requirements are upheld, particularly those that are there for the safety of all onboard."

However, a spokesman for seafarers' union Nautilus said that the Union was "deeply disturbed by the implications of this ruling". "As a judgement the Court raised more issues than it answered. What would have happened if the man had been left on the dock?"

The master is a Nautilus member and was represented by the Union's lawyers. They put before the court the issues involved and the argument that allowing the man on to the vessel where there were crew members who not intoxicated was the safest option. The union also said the case left unanswered the possible criminal liabilities of a port facility that allows entry to premises to drunk seafarers. Nautilus said it will continue to work to resolve the many unanswered question raised by the case.

Who is the Master? Another recent decision by the New Zealand Court of Appeal concerned the question as to whether a subordinate officer in temporary charge of a ship could be considered the Master for the purposes of certain reporting obligations under New Zealand statute law. The case is noted up in a Trade and Transport bulletin issued by the firm of DLA Phillips Fox in Sydney:-

In *Maritime New Zealand v Birchall* [2009] NZCA 119, the Court broadened the definition of 'Master' when it determined that the First Mate temporarily in command of a vessel was responsible in the capacity of Master to report an accident. The Court held that a person may fall within the definition of 'Master' under the Maritime Transport Act 1994 (Act) even if they are not the Master appointed by the shipowners. So long as the person had command or was in charge at the relevant time, he or she was the 'Master' and must comply with the Master's obligations under the Act.

Study to focus on seafarers' fatigue: The European Commission has launched a €4m research project to study the effects of fatigue on seafarers.

Fatigue has become a major issue in the shipping industry and is believed to have been a contributory factor in a number of shipping accidents.

The research will take two-and-a-half years to complete and

will study the work and rest patterns of deck and engineer officers, concentrating in particular on watch-keeping, which has become an increasing concern and fatigue has been identified as a major safety issue.

Because of the particularly onerous job of seafaring, where crews work and rest in their workplace, there are increasing demands from unions and safety organisations that the problems created by fatigue and long duty shifts must be addressed.

The European Maritime Safety Agency reported that 754 vessels were involved in 670 accidents and 82 seafarers lost their lives last year.

Because of the increasing concerns about safety, ship owners, trade unions, marine insurance companies and safety organisations throughout Europe are joining in the research project.

INDIA: Budget not cheer shipping:

- The shipping industry, which was pinning its hopes on a booster dose to sail through the economic slowdown, is unhappy with the Budget. According to the industry, service tax on coastal and inland waterways cargo movement is expected to make this mode of transportation costlier and may lead to diversion of a slice of traffic to other modes. "We are already hammered by high interest costs and port charges. An additional tax burden will further erode the profitability of coastal shipping," said Mr Sarvesh K.Shahi, Chairman of SKS Logistics Ltd, a leading coastal cargo carrier.

In the past, though the Government had introduced tonnage tax to help companies expand their tonnage, several other levies such as service tax and withholding tax have made it difficult for ship owners to keep apart the mandatory surplus for tonnage acquisition. Prior to the Budget, the shipping companies had sent a proposal to the Finance Ministry to set up a corpus of Rs 10,000 crore for soft-lending to them. But, there was no mention of this in the Budget. The industry is

in dire need of soft finances, as nearly half of the shipping fleet (4 million GRT of the 9.03 million GRT) needs to be replaced in the next three years, as it would have exceeded the international age norms.

Investments needed: Being a capital-intensive business, replacement of this tonnage needs huge investments in foreign currency. According to industry estimates, for the domestic industry to retain its current 13 per cent share in the national cargo, it needs an investment of around \$20 billion during the 11th Plan.

"We were hopeful of getting some stimulus in the Budget. In fact, we did have several meetings with the Government. Raising capital is a major concern today with almost every shipping firm struggling to raise funds for expansion," said Mr Sudhir S. Rangnekar, CEO, Indian National Shipowners' Association. Until eight months ago, shipping companies were able to raise debt at an interest rate as low as 4 per cent in the foreign markets with repayment tenure stretching up to 15 years. But now, it is difficult to raise foreign currency resources at LIBOR + 400-600 basis points, said Mr Hajara, Chairman, Shipping Corporation of India.

"Many international banks which have been recapitalised have done it under condition of improving liquidity in their own domestic industry," Mr Yudhisthir Khatau, Vice-Chairman and

Managing Director of Varun Shipping, said. Varun Shipping has already cut its capex by three-fourth to \$100 million and is exploring options to buy assets from second-hand market for its offshore sector. However, Mr Hajara said, "We will continue to demand a stimulus package

for the industry, in view of weak freight market. We hope for some post-Budget consideration by the Government," he added.

Wave-battered vessel 'capsized within minutes':

"There was hardly any time for us to respond as a huge wave hit our vessel while we were waiting for a green signal to enter Doha port," said a survivor of the M V Demas Victory tragedy. The survivor, has more than 25 years experience in the Indian Navy. He said it was the alertness displayed by the crew of another waiting vessel, Gulf Ventures, that saved five people on board Demas Victory. "Clinging to life-buoys, some of us managed to stay afloat in the choppy sea for about 45 minutes before the Ventures crew rescued us," recalled the veteran seaman. He said he and the other four survivors were in the top cabin of their ship when the wave hit the vessel. "In no time, the ship went down, giving absolutely no chance for those waiting inside for the signal to enter the Doha port. In no more than 3 to 4 minutes, everything was over," he said. "Each of us who survived lost everything other than the clothes that we were wearing," he said. Most of the 24 staff from HBK Power Cleaning Company, who perished in the tragedy were supposed to return for duty the same evening itself. Even though the crew and the staff of the HBK were two different teams, they functioned like a single unit onboard. "Most of those HBK workers who died were very friendly with us and we enjoyed their company." The rescued sailor said even if he could recover from the shock of losing several people known to him, he would never be able to forget that fateful day and his struggle to save his life, clinging to a life buoy.

The irony of the disaster is that at least 21 of the 30 victims come from land-locked places, far from large water bodies. Twelve of the deceased came from Nepal and eight from Rajasthan, which are far removed from the sea. The other victim was from Bihar, again a place far from the sea. "The incident stressed in no uncertain way the necessity of employing personnel from coastal areas in activities like providing support services to oil platforms," said a top official of a shipping firm. He recalled the recent recruitment of some women in the shipping industry because of their superior knowledge and better awareness of the sea and remarkable swimming skills. The official said a similar yardstick should be applied by shipping companies in future while inducting personnel so as to minimise the loss of lives in the event of accidents. A source quoting the captain of the vessel was full of appreciation for the Qatar government for the rescue and salvage operations that were launched immediately after the tragedy. "We know of a number of maritime accidents and in many of them there are no reports of finding the bodies of many of the victims. However, in the Doha tragedy, it was not a small achievement that the rescue and relief operations succeeded in retrieving all 30 bodies from the site," said the captain. The vessel came to rest 22m below the surface.

The Indonesian captain of the ship, who was among the five rescued said it was perhaps one of the few occasions in maritime history that salvage teams have managed to retrieve all the bodies from a sunken vessel. He was full of praise for the efforts made by Qatar Coastguards and the two salvage

teams, Mubarak Marine and Sub Tech, that arrived from the UAE. "More important was the seriousness accorded to the whole issue by State of Qatar as its Interior Minister HE Sheikh Abdulla bin Nasser bin Khalifa al-Thani personally supervised the rescue and relief operations." Meanwhile, humanitarian and mortuary workers who handled the 30 bodies said it was the first time that they encountered such a large number of bodies from a single incident. "More than the number of bodies, it was the condition of many of bodies that shocked us," said one. He recalled that as many as 19 of the 30 bodies were fished out a week after the tragedy. Humanitarian worker Abdul Salam, who has been rendering voluntary duties in repatriating bodies for the last five years said he found it difficult to sleep after seeing so many decomposed bodies. One of the victims, though mostly disfigured, was identified from the wedding ring that he was wearing while another from a pendant," recalled Salam. The social worker the first thing that came to his mind on seeing the two bodies were their families. "For the first time ever, I wept openly on seeing bodies while their identification was taking place inside the mortuary," recollected Salam. He also recalled helping out one of his co-workers from collapsing on seeing some of the bodies. It is probably the first time so many victims from a single incident are being buried in Doha, he said. Six victims will be buried in Qatar.

Insurance industry still falling short on embedding risk management:

A survey by leading accountant and insurance consultant Moore Stephens has revealed that there is still has some way to go in terms of embedding risk management into the UK insurance industry, given the FSA's continued focus on the whole area of risk management in regulated firms. The survey was designed to assess how insurance entities are managing risk today and how

risk management attitudes and practice in the industry have moved since the first Moore Stephens survey on this subject, in March 2007.

Writing in the latest issue of the Moore Stephens newsletter Insured Interest, Simon Gallagher, head of the firm's Insurance Industry Group, says, "Against a background of increased regulation and changes in best practice, decisions on risk management strategy and practice can have a significant impact. Given the emphasis placed by the FSA on senior management responsibilities, we expected a significant increase in risk management maturity, but this was not the case. Despite some improvement, our survey reveals that while risk management frameworks and responsibilities have been set and people and resources allocated in the majority of insurance businesses, risk management continues to be low on board and senior management agendas.

"The responses on business benefits are similar to our 2007 survey. Scores of 3.8 out of 5.0 on increased regulatory compliance and improved internal control from insurer respondents are encouraging, despite the seeming continued lack of commitment to risk management from some businesses demonstrated in the responses to other questions.

"Finally, the level of preparedness for Solvency II is relatively low, but not unexpected. Affected firms will need to take positive steps sooner rather than later to demonstrate compliance to the satisfaction of the regulators. And the biggest challenge they face is likely to revolve around the development of compliant internal capital models, or the customisation of existing models and - most importantly - the embedding of those models into day-to-day business practices, as part of sound risk management."



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IMO Briefing

International Maritime Organization, 4 Albert Embankment, London SE1 7SR, United Kingdom
Tel: +44 (0)20 7735 7611 Fax: +44 (0)20 7587 3210



Marine Environment Protection Committee (MEPC) – 59th Session

Briefing 26/2009

9 July 2009

Preview: Marine Environment Protection Committee (MEPC) - 59th session: 13 - 17 July, 2009 .Ship GHG emissions high on agenda at IMO environment meeting

The Marine Environment Protection Committee (MEPC) of the International Maritime Organization (IMO) is expected to agree on a package of technical and operational measures to reduce greenhouse gases (GHGs) from international shipping and to hold an in-depth debate on possible market-based instruments to provide incentives for the shipping industry, when it meets for its 59th session from 13 to 17 July 2009, at the IMO Headquarters in London.

Other issues to be discussed include the adoption of amendments to the MARPOL Convention; and the implementation of MARPOL Annex VI, the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, and the 2004 Ballast Water Management Convention.

Measures to address GHG from ships to be discussed: The MEPC will consider proposed technical and operational measures to reduce GHG emissions from ships. These include an Energy Efficiency Design Index for new ships, which is intended to stimulate innovation and technical development of all the elements influencing the energy efficiency of a ship from its design phase, and a Ship Energy Management Plan, for new and existing ships, which incorporates best practices for the fuel efficient operation of ships. The plan incorporates an Energy Efficiency Operational Indicator for new and existing ships, which enables operators to measure the fuel efficiency of a ship in operation.

These measures will form a package intended to be agreed at the meeting for further trials.

The Committee will also give further consideration to market-based measures, recognizing that technical and operational measures may not be sufficient to reduce the desired amount of GHG emissions from ships, if shipping activity increases as a consequence of growth in global trade. Such measures would have two main purposes: to offset growing emissions in other sectors; and to serve as an incentive for the industry to invest in more fuel-efficient technologies. The two market-based instruments that will be discussed at the MEPC are a maritime emission trading scheme and an international contribution fund for GHG Emissions from ships, based on a global contribution on marine bunkers.

One of the important documents on the MEPC's agenda will be the Second IMO GHG Study 2009, which provides the most comprehensive and authoritative figures on the impact of shipping on climate change. The Study estimates the reduction potential of different technologies and practices, as well as their cost effectiveness, and also evaluates the different policy options under consideration. The 2009 Study reaches a number of significant conclusions, including: international shipping is estimated to have emitted, in 2007, 870 million tonnes, or about 2.7 per cent of the global manmade emissions of CO₂; mid-range emission scenarios suggest that, by 2050, in the absence of reduction policies, ship emissions may grow by 150 to 250 per cent (compared to 2007 emissions) as a result of growth in world trade; and a significant potential for reduction of GHGs through technical and operational measures has been identified. Together, if all measures are implemented, including significant reduction in operational speed, they could, by 2050, increase efficiency and reduce the emissions rate very considerably below the current levels on a tonnes/mile basis.

The decisions of the MEPC on GHG emissions from ships will be reported to the Conference that the United Nations will convene in Copenhagen in December 2009, to debate a successor instrument to the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC).

ECA proposal to be considered: A proposal to designate specific portions of the coastal waters of the United States and Canada as an Emission Control Area (ECA) will be considered by the MEPC. The ECA would be for the control of emissions of nitrogen oxides (NO_x), sulphur oxides (SO_x), and particulate matter, under the revised MARPOL Annex VI Prevention of Air Pollution from Ships, which was adopted in October 2008 and is expected to come into force on 1 July 2010.

Currently, the revised Annex lists two ECAs: the Baltic Sea area and the North Sea, which includes the English Channel.

MARPOL Annex VI Guidelines set for adoption: MEPC 59 is expected to consider, with a view to adoption, draft Guidelines for the development of a volatile organic compound (VOC) management plan; revised Guidelines for monitoring the worldwide average of sulphur; and revised Guidelines for the sampling of fuel oil for determination of compliance with MARPOL Annex VI. The guidelines are intended to assist Administrations with the implementation of the revised Annex VI.

Based on input received by the Joint Group of Experts on the Scientific Aspects of Marine Environment Protection (GESAMP), the Committee will consider Interim criteria for discharge of washwater from exhaust gas cleaning systems (exhaust scrubbers), intended to update the existing criteria contained in the Guidelines for Exhaust Gas Cleaning Systems (contained in resolution MEPC.170(57)).

The Committee is also expected to approve circulars on Guidelines for the application of the NO_x Technical Code relative to certification and amendments of tier I engines and Definitions for the cost effectiveness formula in regulation 13.7.5 of the revised MARPOL Annex VI.

MARPOL amendments - transfer of oil cargo between oil tankers at sea: The MEPC will consider, for adoption, proposed draft amendments to MARPOL Annex I for the prevention of marine pollution during ship-to-ship (STS) oil transfer operations.

The new chapter 8 on Prevention of pollution during transfer of oil cargo between oil tankers at sea would apply to oil tankers of 150 gross tonnage and above and would require any oil tanker involved in oil cargo STS operations to have, on board, a plan prescribing how to conduct STS operations (the STS Plan), which would be approved by its Administration.

Notification to the relevant coastal State would be required, not less than 48 hours in advance of the scheduled STS operations. The proposed regulations are not intended to apply to bunkering operations.

Consequential amendments to the International Oil Pollution Prevention (IOPP) Certificate, the Supplement to the IOPP Certificate and the Oil Record Book will also be considered for adoption.

Oil residue (sludge) MARPOL amendments: Draft amendments to MARPOL Annex I regulations 1, 12, 13, 17 and 38, relating to the treatment of oil residue (sludge), will be considered for adoption. The proposed amendments are intended as clarification to long-standing requirements and to remove existing ambiguities in order to facilitate compliance. Definitions for oil residue (sludge), oil residue (sludge) tanks, oily bilge water and oily bilge water holding tanks are being introduced for the first time.

Related amendments to the Supplement to the IOPP Certificate, Form A and Form B, and the Oil Record Book are also being considered for adoption.

Special measures to protect the Antarctic to be considered for approval: The MEPC will consider, for approval, proposed draft amendments to MARPOL Annex I on Special requirements for the use or carriage of oils in the Antarctic area, with a view to subsequent adoption.

The proposed draft amendments would add a new chapter 9 with a new regulation 43, which would prohibit the carriage in bulk as cargo, or carriage and use as fuel, of: crude oils having a density at 15°C higher than 900 kg/m³; oils, other than crude oils, having a density at 15°C higher than 900 kg/m³ or a kinematic viscosity at 50°C higher than 180 mm²/s; or bitumen, tar and their emulsions. An exception is envisaged for vessels engaged in securing the safety of ships or in a search and rescue operation.

Development of guidelines to implement ship recycling convention: Following the adoption of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, at a conference held in Hong Kong, China, in May 2009, the Committee will continue developing the Guidelines for safe and environmentally sound ship recycling and the Guidelines for the development of the inventory of hazardous materials. These are the first two guidelines intended to assist with the implementation of the Convention. Their development and early adoption are crucial for the voluntary implementation of the convention prior to its entry into force.

Implementation of the BWM convention: The MEPC will be invited to approve Guidance to ensure safe handling and storage of chemicals used to treat ballast water and the development of safety procedures for risks to the ship and crew resulting from the treatment process. This Guidance is intended to assist with the implementation of the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention), adopted in 2004.

The MEPC is also expected to decide on proposals for "basic approval" and "final approval" of ballast water management systems that make use of active substances, after consideration of the reports of the eighth and ninth meetings of the GESAMP Ballast Water Working Group, which met in February and March 2009, respectively. The Working Group is recommending that basic approval be granted to three proposals and final approval to four.

The Ballast Water Review Group will meet during MEPC 59 to review the status of ballast water technologies and to advise the Committee on their availability, with regard to meeting the conditions in the BWM Convention.

To date, 18 States have ratified the BWM Convention, representing 15.36 per cent of the world's merchant shipping. The Convention will enter into force twelve months after the date on which not fewer than 30 States, the combined merchant fleets of which constitute not less than 35 percent of the gross tonnage of the world's merchant shipping, have become Parties to it. The Committee is expected to urge other States to ratify the Convention at the earliest opportunity.

Adverse impact of ship noise on marine life to be considered: The report of a correspondence group on Noise from commercial shipping and its adverse impact on marine life will be considered, with a view to the future development of voluntary technical guidelines for ship-quieting technologies. Potential navigational and operational practices to reduce noise will also be discussed.

Harmful anti-fouling systems for ships - best practices to be considered: The MEPC is expected to consider, with a view to disseminating via a circular, Guidance on best management practices for removal of anti fouling coatings from ships, including TBT hull paints, which was developed by the Scientific Groups under the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972 (London Convention) and its 1996 Protocol (London Protocol).

The International Convention on the Control of Harmful Anti-Fouling Systems on Ships, 2001, entered into force in September 2008 and requires ships to either replace, or over-coat, any existing organotin-based anti fouling systems.

Joint MSC/MEPC Working Group on the Human Element to meet: The Joint MSC/MEPC Working Group on the Human Element will meet during MEPC 59 to consider human element issues, including proposed draft amendments to the Revised Guidelines on implementation of the International safety Management (ISM) Code, for submission to the IMO Assembly's 26th session in November-December 2009, for adoption.

OPRC-HNS implementation - manuals to be considered: The MEPC will be invited to consider the report of the ninth meeting of the OPRC HNS Technical Group, which is being held in the week prior to the Committee's session and will consider a draft Manual on chemical pollution to address legal and administrative aspects of HNS incidents; a Manual on oil pollution, Section I - Prevention; a Manual on incident command system during oil spill response; and Guidelines for oil spill response in fast currents.

The Committee is expected to approve the draft texts of two introductory IMO model courses on preparedness for and response to HNS pollution incidents in the marine environment, one aimed at the operational level and the second aimed at management level; the revised OPRC Train-the-Trainer course; and the draft text of a Guidance document on the identification and observation of spilled oil.

DIRECTOR GENERAL OF SHIPPING

M.S. Notice 28 of 2009

No.11-NT (21)/2009 Dated : 7th August, 2009

Subject : Recommendations to the Registrars of the Sailing Vessels for Imposing restrictions on mechanically propelled Sailing Vessels plying in foul weather season in their respective regions

1. Indian Merchant Shipping Act 1958 (as amended) requires sailing vessels (mechanically propelled or not) to be registered under part XV of the Act. Such vessels are of wooden construction having primitive design features and therefore, do not comply with the International Conventions. Instead, they are governed by the Merchant Shipping (Sailing Vessels) Rules, 1997.
2. These vessels were traditionally trading historically between Indian subcontinent and neighbouring countries of Persia, Arabia in the West and up-to Thailand in the East. The "Certificate of Inspection of a Sailing Vessel" issued to such vessels under said rules requires terms and conditions of trading limit with restrictions, if applicable, with regard fair/ foul season. Fair season & foul season for the purpose of said Rules are notified in Schedule IV of the Rules.
3. In view of recent total loss of two sailing vessels near Gujarat Coast and a sailing vessel in Andaman & Nicobar Island Sea and many similar casualties in foul weather in past, the Director General of Shipping, in interest of safety of life, property and protection of environment hereby recommends to the registrars of Sailing Vessels to restrict plying of such sailing vessels, whether loaded or in light condition during foul weather season to or from any Indian or Foreign Port/s. Foul weather area as notified under schedule IV of MS (Sailing Vessels) Rules, 1997 is reiterated hereunder:-

Sr. No.	DATE	AREA
1.	1st June to 31st August	Coast of Pakistan, Gujarat, Maharashtra and Konkan
2.	16th May to 15th September	Western India (South of Karwar) and as far West as the line joining Aden and Berbera
3.	16th April to 31st August and 1st November to 31st December	Gulf of Mannar
4.	1st November to 31st December	Palk Bay
5.	15th April to 31st July and 16th October to 31st December 16th April to 31st July and 16th October to 15th November	Madras and Andhra Pradesh : a) From Nagapatnam to Kakinada b) From Kakinada to Gunjasma
6.	1st April to 15th August and 1st October to 15th November	West Bengal, Orissa, Bangladesh and Arakan
7.	1st May to 31st August	Rest of Myanmar

4. M.S. Act Section 2(2) provides that the provision of the Act which apply to Indian Registered Vessels shall so apply to any such vessel within India, including territorial waters. Accordingly it may be noted that plying restrictions stated above are applicable to all Mechanized sailing Vessels whether Indian or Foreign, plying on Indian Coast in any one of the aforesaid areas.
5. Plying restrictions imposed on Indian Mechanized Sailing Vessels should be clearly endorsed on Certificate of inspection of Sailing Vessels under heading "usual trading limits" by authorised issuing such certificate. Violation of this M.S. Notice shall attract serious consequences as provided under Section 334 of Merchant Shipping Act of 1958 including penal punishment.
6. This issues with the approval of the Director General of Shipping.

Sd/-
(Capt. S. K. Shukla)
Nautical Surveyor-cum-DDG (Tech)

Casualty Circular No. 16 of 2009

(Regulatory/Guidance/Information)

NO:11-NT(72)/2008 Dated: 04.08.2009

Subject: Shipping casualty during routine boat Drill at anchorage.

NARRATIVE: A container ship, flag - Indian, age approx 16 years, GRT - 11892. sailed out from an Indian port for another Indian port on 01.8.2008. The length of the voyage was only 18 hours. The vessel arrived at the outer anchorage of destined port on 02.8.2008 at 1354 hrs. The ship's crew was engaged in lowering the starboard life boat at 1400 hrs. just few minutes after anchoring of the ship under the supervision of the Master and additional 2nd officer. This operation was accomplished successfully. The senior officer along with Able Bodied (A.B.) seaman, fitter and two numbers of ratings entered the boat at 1410 hrs. The boat was lowered to water level and made water borne. After completion of this exercise, the boat was re-hooked for hoisting at 1445 hrs. While the boat was being hoisted and reached almost at the level of boat deck, it slipped off from the hook and fell into the water from height little below the boat deck level. During the said operations, 5 persons were in the life boat. They sustained injuries and were sent ashore for medical treatment. The starboard life boat also was extensively damaged and landed ashore for permanent repairs. The vessel obtained dispensation from the Flag Administration to undertake the intended voyage without this life boat. However, the shipowner placed 3 No. additional life rafts in lieu of damaged starboard life boat.

OBSERVATIONS/ANALYSES

- In accordance with drill schedule for year 2008, the starboard life boat was not required to be lowered.
- There was no berthing prospect announced by the port for the vessel for 02.8.2008 (i.e. the day the vessel anchored).
- The Drill was arranged in a great hurry immediately after the anchoring of vessel.
- The Engineer officer though a part of the Muster list did not participate in the boat Drill.
- The senior officer, AB and Junior officer who sustained injury were not part of the required team in accordance with the Muster list.
- The drill was not conducted in a systematic manner as emergency alarm to alert the crew on the emergency situation was not sounded.
- The hoisting and lowering operation was done with frequent stoppages allowing the slack on the boat wire fall to develop. Perhaps the frequent jerking movements dislodged the life boat from the hooks.
- Physical and circumstantial evidences show that nothing other than human error attributed to this casualty.. A fatigue and incompetence on part of the operating crew was one of the few elements, which caused damaged to the life boat and injuries to the crew in the boat.

RECOMMENDATIONS/LESSONS LEARNT

- The SOLAS 1974 Regulation 20.6.3 chapter III and Flag State Casualty Circular No. 9 of 2005 relating to launching of life boat without any person should be strictly complied with by the ship's crew.
- The fundamental principles of observance of good seamanship by all crew members during such operations should be strictly adhere to.
- Launching of life boat is considered not only key ship board operations but also critical in nature. Therefore, the Master and other senior officers have an obligation to exercise extra ordinary skill and duty to care for the crew involved in this operations.
- The Designated Person Ashore (DPA) and the Master should make sure that the statutory training manual encompasses detailed procedure for such type of operations.
- The Master of the vessel should comply strictly with the Planned Maintenance Schedule (PMS) for the life boats/ its launching appliances.
- The Master/Safety Officer of ship should provide effective training to the crew and ensure that all members participate in the scheduled boat drill as specified in the ship's Muster list.

Sd/-

(Capt. Deepak Kapoor)

Nautical Surveyor-cum-DDG (Tech)

Casualty Circular No. 20 of 2009
(Regulatory/Guidance/Information)

No:11-NT(17)/2005 Dated: 04.08.2009

Subject: Shipping Casualty on vehicle ferry vessel operating in the vicinity of islands in Indian waters.

NARRATIVE

A vehicle ferry, registered under IV Act, age - 11 years, Size - GT - 44 tons was engaged in the transfer of vehicles and passengers between islands in Indian waters. On 17th February, 2005 the vessel was carrying loaded truck and a State Transport Bus on it. The bus was reportedly carrying 18 passengers of which 11 were sitting inside the bus. The driver and the conductor of the bus were standing on deck. At 2020 hrs. on 17.02.2005, the vessel, while berthing along side a jetty hit violently during the mooring operations. With the sudden jerk, the bus without any stopping blocks, slipped backward through the open ramp and landed partially on the slipway with the fore part of the bus still on the ferry. The vessel moved back due to the heavy current as a result of which the bus along with ill-fated passengers fell into the water. The naval divers recovered 7 bodies.

OBSERVATIONS/ANALYSES

- The IV registered vessel was operating beyond IV limits.
- The Regulatory Authorities were aware of this fact.
- The vessel was having steering problems with the wheel getting jammed due to mechanical control transmitting system getting stuck at certain position.
- The manually operated ramps of the vessel was also unusually tight and jam.
- The vessel had twin engines of low power, 64 BHP each, both were not working satisfactorily.
- There was no person on the jetty to assist the ferry for making fast the rope.
- The vessel was inadequately manned at the time of accident.
- Two of the crew members including the quarter master at wheel were reportedly intoxicated.
- The vessel practically did not have any LSA or FFA items for immediate use.
- The vessel did not have the power supply as generator was not operational.

RECOMMENDATIONS/LESSONS LEARNT

- The Regulatory Authorities should not allow such vessels to proceed beyond the IV limits.
- The such authority should carry out periodical inspections to ensure that these vessels are well maintained.
- The authority should also make sure that the Master of the vessel as adequate LSA/FFA for saving lives in accordance with the applicable laws taking into account the passengers on vehicle being transported.
- The authority should make sure that such vessels are adequately and efficiently manned to prevent similar type of accident in future.
- Vehicles should be adequately secured when transported on vehicle ferry.
- Passengers should be disembarked from vehicle when it is being transported.

Sd/-
(Capt. Deepak Kapoor)
Nautical Surveyor-cum-DDG (Tech)

Casualty Circular No. 21 of 2009
(Regulatory/Guidance/Information)

No:11-NT(81)/2008 Dated: 04.08.2009

Subject: Collision between two foreign flag vessels off Indian port

NARRATIVE

A foreign flag container ship, age - 14 years, GRT - 11788 made contact with another foreign flag bulk carrier, age - 34 years, Size - GRT 16486 on 22.8.2008 at 0315 hrs. within jurisdiction of Indian port.

A container ship sailed out from an Indian port on 22.8.2008 and bound for another port in South coast of India. At 0240 hrs. she disembarked the pilot at buoy No.7 and navigated through the channel till the fairway buoy. The vessel was steering a course of 172 degree and making speed of 10.5 knots. At 0240 hrs. 2nd officer came up on the bridge to assist the Master. The 2nd. Officer took over the watch from the Master and the Master went to Radio room to sent messages.

The bulk carrier arrived from foreign port in ballast condition and dropped her anchor at 1310 hrs. on 13.8.2008 well cleared of the fairway waiting to load parcel of cement from the port. The outward container ship was manned with duty officer and duty Able Bodied (AB) seaman. The vessel was on auto pilot. The duty officer went inside the chart room to plot the vessel's position at 0300 hrs. The duty officer started writing log book and failed to keep lookout. The duty AB realized suddenly when the bulk carrier came very close. This fact, he was brought to the notice of duty officer at 0310 hrs. on 22.8.2008. The duty officer came to bridge from the chart room and gave hard starboard from auto pilot without changing over to manual steering. The container ship made contact at 0315 hrs. on 22.8.2008 with heading 186 degree speed of 10.5.knots.

OBSERVATIONS/ANALYSES

BULK CARRIER

- The vessel's Main engine was not on short notice.
- The duty officer did not call Master when collision was imminent.
- The duty officer did not take any avoiding action like slackening of cable, to avoid collision.

CONTAINER SHIP

- The officers did not carry out assessment of vessel's at anchorage.
- The duty AB noticed the approaching vessel quite late.
- The duty officer failed to change over auto to manual steering.
- The duty officer did not inform the Master, who was present in the Radio room.

PORT CONTROL ROOM

- Control room was not keeping watch on the movement of the vessels within its jurisdiction.
- The control room was manned with non-technical persons.
- Though the control room equipped with radar, there was no competent person to track all vessels.

RECOMMENDATIONS/LESSONS LEARNT

- During navigation, the fundamental principles of watch keeping such as maintaining look out, proceeding at safe speed and observance of good practice of seamanship should be strictly followed.
- In restricted waters, the Master after handing over watch to duty officer should monitor the navigational related activities closely.
- The duty officer should maintain active navigational watch by implementing the passage plan and take into account the navigational hazards expected during the voyage.
- The duty officer should spend minimum time in the chart room, while vessel is navigating in restricted waters.
- Port control room should be adequately manned with competent persons to monitor the movement of vessels.
- When vessel is at anchorage Main engines should be placed at short notice.

Sd/-

(Capt. Deepak Kapoor)

Nautical Surveyor-cum-DDG (Tech)

Casualty Circular No. 22 of 2009

(Regulatory/Guidance/Information)

NO:11-NT(15)/2008 Dated: 04.08.2009

Subject: Collision between General Cargo ship and Bulk carrier in Indian waters.

NARRATIVE

A General Cargo ship, flag - foreign, GRT- 14357, age - 6 years, was out bound and a Bulk Carrier, flag- Indian, GRT- 15575, age - 32 years, was inbound with pilot on board, while in the harbor channel collided at 1728 hrs. on 28.01.2008, close to the channel buoy. The pilot of both the vessels did not contact each other for confirming the course of action to be taken under the Collision Regulation. The General cargo vessel's pilot misunderstood, the bulk carrier for another inbound vessel. In confusion, the collision between the two vessel occurred. Both the vessels suffered damage in the fore part of the vessel. There were no loss of life or pollution.

OBSERVATIONS/ANALYSISES

- The Port Control Station remained silent and failed to intervene during the close quarter situation.
- The pilot of General Cargo ship misunderstood the identity of another vessel with whom it was agreed to pass starboard to starboard.
- The pilot of General Cargo ship was using walkie-talkies which did not have channel 10, the channel used only for berthing and unberthing operations.
- The pilot of General Cargo ship was under contract with the port and not holding Certificate of Competency approved by the Maritime Administration.

RECOMMENDATIONS/LESSONS LEARNT

- Port Signal Station should be re-located as the channel and the berths cannot be seen from its present location.
- Dedicated qualified persons for communication and monitoring of VHF should be employed by the Port Authority.
- The port should develop Vessel's Traffic Services (VTS) to enhance Maritime Safety during navigation.
- The Master and Navigating Officer should understand the significance and application of Rule No. 6 - Safe speed & Rule No. 9 - Narrow Channel.
- The Port should develop standard policy for the appointment of Pilots with respect to their qualification, experience in terms of employment in consultation with the Flag Administration.

Sd/-

(Capt. Deepak Kapoor)

Nautical Surveyor-cum-DDG (Tech)

Casualty Circular No. 23 of 2009

(Regulatory/Guidance/Information)

NO:11-NT(56)/2007 Dated: 07.08.2009

Subject: Shipping Casualty of Tug & Barge as composite unit fitted with Articulated Coupling System during cyclonic weather conditions in Indian waters

NARRATIVE

On 23rd June, 2007 at about 0900 hrs a composite unit of Tug, flag - India, built in 1996, GRT- 241 and Dumb Barge, flag - India, built in 1997, GRT- 1554, entered the anchorage of a Indian port to effect planned mid stream lighterage of iron ore about 24,00MT from a foreign flag ship anchored within the port limits.. By afternoon on 23.6.2007, the port displayed storm signal No.3 i.e. port is threatened by squally weather. The lighterage operations was completed on 23.6.2007 and at 2030 hrs. on the same day, this composite unit with a cargo of 2000 MT. of iron ore in bulk cast off from the mother vessel and proceeded to the nearby port through the port navigational channel. The mother vessel decided to head out to open sea due to inclement weather in the port. The port Vessel Traffic Services (VTS) allowed the Tug and the tow to sail up to nearby port. The weather conditions were severe i.e. wind up to 20-25 knots were experienced during the short voyage. While the tug was about 12-13 miles away from the destination port the fairway buoy, the wind force and the wave height suddenly increased at around 0200 hrs, on 24.6.2007. To counter the wind and sea effect, the Master of the tug decided to steer off course to starboard. The composite unit experienced a heavy sea/wave impact

on the starboard side which caused ingress of water in crew accommodation. The Chief Engineer of the tug also noticed a crack on the ship side in line with the engine room forward bulk head. The crack was about 2feet by 2feet inverted 'T' shape through which water was entering into the engine room. While the water was being pumped out with the help of Fire/ General Service & Emergency Pumps, a violent noise due to articulate coupling system failure/dis-positioning was heard by the ship's staff. This resulted the tug to list to port side. Subsequently the articulate coupling shoes broke due to heavy swell and wave prevailing at that time. As a result, the composite unit got detached. Thereafter, the barge made heavy contact on the starboard side of the tug. The tug listed heavily to port side and started sinking by head. The Master of the tug sent a distress message by means of GMDSS (Global Maritime Distress & Safety System) at around 0330 hrs. on 24.6.2007 The Master of the tug abandoned the ship and ordered the crew to enter into a life raft. The life raft was completely shattered into pieces due to strong windy conditions. The Coast Guard and the port's surface crafts conducted SAR operations. 9 survivors from the tug with their life jacket were rescued from the sea on 24.6.2007 at around 1950 hrs. There was one loss of life i.e. of cook. The tug sank in the vicinity of an island and the dumb barge drifted into the harbor and grounded close to the shore of an island. The tug had 10 k.lt. of diesel oil on board but no spillage of oil was seen or reported

OBSERVATIONS/ANALYSES

- The Master did not consider to implement the contingency plan to deal with the emergency.
- The Master did not take necessary precautions for heavy weather conditions.
- The articulate coupling system failed due to exceptional bad weather conditions
- The tug sailed out with expired Load Line Certificate for the dumb barge.
- The Master failed to use over riding authority in spite of knowing the unit is un seaworthy on account expired Load Line Certificate of the Dumb Barge.
- The Master did not consider to take shelter in protected waters during the heavy weather conditions.
- The Master did not have the No Objection Certificate from the Administration for port clearance to operate in Indian coast.
- No documentary evidence was available to show that Articulate coupling arrangement was inspected either by the flag administration or classification society.
- No alternate arrangement was available to avoid accidental detachment between the tug and the dumb barge.
- Designed pressure of 110 bar might have been exceeded by the articulate coupling arrangement due to heavy wave/swell load.
- The adjacent ship side plating of Articulate coupling was not strengthen that resulted fracture of ship side.
- The company engaged a local pilot at the time of transit without approval of the port.
- The local pilot was possessing only joining contract letter and had not signed on Article of Agreement.
- The local pilot was included in the crew list but was not signed on Article of Agreement.
- The un-authorized local pilot was 72 years old and had not up graded his Certificate of Competency as per STCW '95.
- The minimum safe manning for the tug had limitations to operate within port limits, but the tug was trading out side of the stated limits.

RECOMMENDATIONS/LESSONS LEARNT

- The shipowner and the Master should ensure that all Statutory Certificates and necessary permission for such specialized operations are placed on board prior to departure.
- The shipowner/Master should ensure that the prescribed trading/operational limits and relevant certificates are not violated.
- The Master of the vessel has the responsibility to verify the validity all its certificates and the certificates of towed barge.
- The Shipping company should establish procedures for effective communication, emergency preparedness, Planned Maintenance System (PMS) and effective training to the Master and crew to deal with emergency of this nature.
- During South West monsoon, the vessel should take necessary heavy weather precautions such as rigging of Emergency Towing arrangements and life line of deck etc.
- Master should not hesitate in using his Over Riding Authority during such situations.

- The shipping company/Master/crew should emphasize on the effective implementation of the Safety Management System. The such system should be properly reviewed by the Master/Company for improving the efficiency of ship operation.
- Articulate couplings have wave height and weather restriction. These should be clearly understood by all concerned and respected.
- The Statutory Surveys should include the inspection of Articulate coupling arrangements.
- The tug and the dumb barge should have extra fendering system through out the ship side above the lighterage sea weather condition.
- There should be additional attachment provided between the tug and the dumb barge to withstand the consequences of accidental failure of Articulate coupling system.
- The Port Authorities should make sure that compulsory pilotage is strictly made applicable on all vessels above 200 GRT, especially during the South West monsoon months.
- The Company/Master should ensure that the crew engaged for the intended voyage should be qualified and medically fit meeting National/International regulations.
- The Port Authorities should ensure that appropriate surveillance and communication equipments are available in Port Signal Station and maintained at all the times by competent persons.

Sd/-
(Capt. Deepak Kapoor)
 Nautical Surveyor-cum-DDG (Tech)

*** ISPS Circular : NT/ISPS/6/2009**

No: 44-NT(12)/2006-I, Dated 07.05.2009

Sub: Laning of Fishing Vessel Traffic in Major and Non-Major Ports.

Consequent to the incidents at Mumbai on 26/11/08, several meetings were held at various levels in the Government of India to appraise security issue. It was pointed out by the concerned security agencies that there was an urgent need to streamline the movement of fishing vessels and other craft, when entering into ports/harbours, which is presently unregulated and therefore poses a safety and security hazard. Therefore, considering the impact that such unregulated movement of fishing vessels could have on the overall maritime security and on the ISPS compliance of the ships and the port engaged in international trade, the Director General of Shipping, in accordance with Section 44A of the Merchant Shipping (Amendment) Act, 2007, hereby stipulates the following measures for adoption by all major and non-major ports:

1. Establishment of well defined traffic lanes for fishing vessels and other vessels used in non merchant shipping such as barges, sailing vessels, etc. into and out of the port to facilitate proper monitoring and control of such traffic.
2. The ports shall develop the traffic lanes for the aforesaid vessels in consultation with the Indian Coast Guard and the concerned fisheries department of the Maritime state in which the port is located.
3. The ports shall incorporate the amendments as appropriate in the navigational charts applicable for their respective ports and submit it to the National Hydrographic Office so that the relevant charts are updated.
4. Indian Register of Shipping shall ensure that the requirements of this circular are included in the Port Facility Security Plans of all major and non major ports, currently under review.
5. All major non major ISPS compliant ports are to comply with the requirements of this circular within a period of 6 months.
6. This issues with approval of the Director General of Shipping.

Sd/-
(Capt. R. K. Awasthi)
 Nautical Surveyor-cum-DDG(Tech)

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Senate Bill Would Require U.S. Flag Ships to be U.S. Built

Five words would change law, have big impact on ocean carriers and shippers

All U.S.-flag ships in international commerce would have to be built in the United States if language approved July 9 by the Senate Commerce, Science and Transportation Committee becomes law.

Shippers of government-impelled cargo such as food aid, project or military cargo that require U.S. flag vessels for transport would likely incur higher rates. Experts said it would



be impossible to calculate how much, but owners would have to recover the higher relative cost of building a ship in the U.S.

The change - spelled out in five words - also would affect carriers in the Maritime Security Program, which requires U.S. flag vessels, but allows the re-flagging of foreign-built ships.

The Maritime Administration Authorization Act of 2010 calls for an amendment to the language in Title 46, Sec. 50101 of the U.S. Code, which covers policies and objectives for the U.S. merchant marine.

The law states that for the national defense and development of import and export foreign commerce, the merchant marine should "provide shipping service essential for maintaining the flow of the waterborne domestic and foreign commerce at all times."

To do that, the law says ships should be capable of being part of navy auxiliary fleet, and be U.S. owned and operated. It continues, the fleet should be "composed of the best-equipped, safest, and most suitable types of vessels and manned with a trained and efficient citizen personnel."

The Senate bill would add "**constructed in the United States**" after "vessels" in the last clause.

The Jones Act already requires U.S.-built ships in trades to Hawaii, Alaska, Puerto Rico and Guam, the Marad bill goes farther. U.S. flag operators in foreign trades now have the option of re-flagging foreign-built ships.

Joe Cox, president of the Chamber of Shipping of America, estimated that 200 of some 800 vessels owned by chamber members are U.S. built. The chamber is made up of U.S.

shipping companies, overseas and Jones Act, which operate under mix of U.S. and foreign flags.

Cox said a company would have to make the business case to replace a foreign-built ship with a U.S.-built one.

"A company would have to run the numbers. 'How much income are we getting from this trade? How much would it cost us to replace our ship with a U.S.-built ship? Does it make economic sense?'" Cox said. "This bill could have unintended consequences."

Officials at the Commerce Committee did not return an inquiry for comment. The bill still requires full Senate approval. Marad's authorization has not been taken up by the House.

Natural gas could keep India's growth engines running

New Delhi: With conventional energy resources depleting every passing minute and India battling to meet its ever-growing demands, natural gas just might be the answer. In the next two years natural gas is expected to play a paramount role in power, fertiliser, city gas distribution, steel, refineries and other industrial sectors, thus lessening the dependence on liquid fuel and naphtha.

In 2009-10, the demand for natural gas is expected to be 225 million metric standard cubic metre per day (mmscmd) while supply would be around 168 mmscmd, implying a demand-supply gap of 57 mmscmd. According to a recent Mckinsey report, Gas in 2020: A Perspective, "Demand for gas in India would surge by 9-10% annually to about 115 to 135 billion cubic meter (BCM) by 2020." To meet its peak power deficit of about 140 gigawatts (gw) in 2017, India will need to build 55 gw of additional peaking capacity. Hydro electricity can satisfy 20-30 gw of peak power demand by 2017 with alternatives like natural gas filling this gap. However, current projects indicate that indigenous production would increase to 55 BCM by 2012. But in the longer term, indigenous natural gas alone may not be able to fulfill the country's consumption needs and pipelines would play an important role.

Experts opine that poor gas transportation infrastructure has been a major hurdle in the development of a full natural gas market in India. The finance minister's proposal to develop a blueprint for long-distance gas highway leading to a National Gas Grid is quite important, especially when the country can expect more gas from exploratory fields of RIL, ONGC, Cairns, and GSPC. According to Akhil Sambar, senior manager, Ernst & Young, "The government could look at public private partnership model for putting together the proposed gas grid. This is all the more important when there is a liquidity crunch. IIFCL can also play a major role in financing the gas grid project."

The government can also ease the pressure by exploring the options of transnational gas supply. The Iran-Pakistan-India (IPI) project (32 BCM) and Myanmar-India pipeline (12 BCM) could provide 40 to 45 BCM of gas. Any further delay in the pipeline projects would increase LNG imports between 40 to 90 BCM by 2020. "Procurement of gas from Myanmar can be taken up on a priority basis," Sambar says. And this will be important especially with the implementation of IPI and Turkmenistan-Afghanistan-Pakistan-India pipeline...

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Owned & Published by Dr. P.K. Chandran, H109/8, Mahatma Gandhi Road, 7th Avenue, Besant Nagar, Chennai - 600 090, printed at Sunitha Printers, 193, Peters Road, Royapettah, Chennai - 14. Editor. Dr. P.K. Chandran, Ph.D., M.B.A., F.I.E. (I), PGDIMS (UK), M.S.N.A.M.E. (USA),