

## Piracy threat continues

The piracy threat to merchant ships in the Gulf of Aden and other regions of the world continues unabated. North of England uses the Industry News service on its website to keep Members up-to-date with the latest information and advice provided by the various organisations involved in the protection of shipping.

In addition to operational measures, Members also need to consider legal and commercial aspects of operating in areas exposed to risk of piracy. BIMCO published new and revised versions of its piracy charterparty clauses in November 2009, and these are critically examined in this issue of *Signals*. Similarly, some of the issues arising from the signing of the UN New York Declaration in September 2009 are considered.

See pages 4 and 6 for full stories.



## Stowaways and supernumeraries

Stowaways and supernumeraries both feature in this issue of *Signals*. Recent changes to the way the authorities handle disembarkation of stowaways in Brazil highlights the importance of taking all reasonable precautions to avoid stowaways boarding and ensuring they are detected before a ship departs. Recent problems with supernumeraries' travel documents have highlighted the importance of ensuring they are in order before the start of a voyage.

See page 2 for full story.

## Cargo shortage allowances

There is sometimes an assumption when carrying bulk cargoes that it is acceptable to make use of a customary trade allowance, and that a shortage of the cargo stated on the bill of lading within that allowance is automatically acceptable. In fact there is no generally accepted legal principle governing this. An article in this issue looks at the use of trade allowances and the precautions Members and ships' masters should take.

See page 8 for full story.

## Changing operational requirements

A number of operational issues related to ships are considered in this issue. These include the steps Members need to consider relating to the phased introduction of electronic chart display and information systems (ECDIS) starting in 2012. Also considered are the phase-out deadline for single-hulled tankers in 2010, and operational problems relating to switching between fuel oils with different sulphur contents while complying with environmental regulations.

See pages 3 and 5 for full stories.

## Guide to North Online

North Online is a website-based service that enables Members to access information relating to their entry with the Club. Information is provided for all ships entered and is updated every day. The Club has produced a handy guide to North Online, which is enclosed with this issue of *Signals* for Members.

See page 11 for further details.

## Residential training course

North's long-running and popular annual residential course in P&I insurance and loss prevention will again take place in June 2010. The course is always well-subscribed and Members are advised to reserve a place early.

See back pages for further details.

## Navigation in poor visibility

Safe navigation in restricted visibility, including following the requirements of the International Regulations for Avoiding Collisions at Sea and making proper use of bridge equipment and navigational aids is vital if collisions, groundings and damage to property incidents are to be avoided.

North of England has produced a number of publications over the years to assist watchkeepers, including a loss prevention guide to COLREGS, a COLREGS poster series and an interactive CD – *Collision avoidance in restricted visibility*. Following a number of recent high profile incidents in restricted visibility, the Club has published a new *Safe Work* poster to illustrate the dangers of poor bridge procedures in such conditions.

The poster illustrates the difference between poor practice, where the watchkeepers are distracted by administration tasks, and good practice, where a proper lookout, voyage planning and monitoring are being carried out.

A copy of the new poster, *Safe Work – Restricted Visibility*, is enclosed with this issue of *Signals* for Members and entered ships. Members can also order additional copies of other publications using an order form from the Club's website:

[www.nepia.com/loss-prevention/publications-and-guides/](http://www.nepia.com/loss-prevention/publications-and-guides/)





## Take care with US Medicare claimants



Members need to take extra care when dealing with claims from US individuals entitled to Medicare.

Medicare is a US state-funded health insurance programme of last resort, which covers certain expenses of those entitled to social security benefits or who are over 65 years old, and have no alternative health insurance. Although it is unusual for US seafarers still to be working beyond the age of 65, this is not true of US longshoremen, and therefore both stevedores and US passenger claimants may be entitled to Medicare.

To keep the costs of Medicare down there are legal mechanisms by which the US government can require that the patient pay their own Medicare costs if it can be expected they will receive compensation from a third party, such as an employer or insurer. However, there is no provision for negotiating costs and invoices must be paid as presented.

### Electronic reporting system

To recover funds more effectively, the US government has recently legislated an electronic reporting mechanism to help identify all potential sources of reimbursement, with severe penalties for those who do not comply.

From April 2010, insured claimants, their lawyers and their insurers will be referred to as 'responsible reporting entities' and, where Medicare treatment is to be provided, they must electronically submit their

interest, even where liability has yet to be established. Failure to do so will incur a penalty of US\$1,000 per day.

### Avoiding double payments

Further, where compensation is made directly to claimants to settle Medicare costs, but they spend it elsewhere, the government can pursue claimants for payment, then their lawyers and their insurers. This is irrespective of whether it can be proven that an insurer had already settled a claim and may even have a full release. Therefore, there is a very real possibility of an insurer, or other responsible party, being forced to make a double indemnity.

Accordingly, to avoid imposition of double damages and daily penalties, it is important that Members advise the Club as soon as possible of any potential claims that might fall into this category so that the Club and/or instructed local lawyers can

- determine whether Medicare has already paid medical expenses
- request and audit information regarding such conditional payments
- carefully draft settlement documents and verdict forms to protect the paying party from suits by Medicare
- report any ongoing responsibility or payment to a Medicare beneficiary.

*The Club is grateful to Edward Walton of Kaye, Rose & Partners for assistance in preparing this article.*

## Brazil starts charging extra for stowaways



Ships paying to land stowaways in Brazil are now facing additional fines for allowing them on board in the first place.

For many years Brazilian immigration authorities have permitted the disembarkation and repatriation of stowaways from vessels entering their ports – but at a price. Nevertheless their willingness to assist Members remove unwanted guests has made the price worth paying when it has not been possible to disembark the stowaways at previous ports. Once the stowaways were repatriated from Brazil and all costs paid, usually in advance, that was the end of the matter.

However, North has recently been notified of two cases where, following repatriation of the stowaways, the local admiralty court has ordered the master to appear to answer charges of allowing stowaways to gain access to the vessel. In neither case has the master ultimately been required to attend in person, but fines and other penalties may be imposed on the ship.

In view of these developments, the Club recommends that Member's vessels intending to enter Brazilian waters carry out thorough stowaway searches prior to leaving the previous port.

*Checklists and guidelines on action to be taken to prevent stowaways and action to be taken when any are found, as well as a stowaway questionnaire, can be downloaded from the Club's website: [www.nepia.com/loss-prevention/publications-and-guides/forms-and-checklists/](http://www.nepia.com/loss-prevention/publications-and-guides/forms-and-checklists/)*



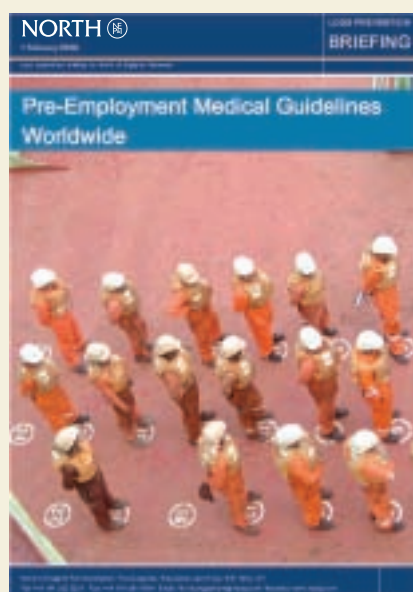
## Pre-employment medical schemes flourish

As many Members are aware, North of England presently has a pre-employment medical examination scheme operating in the Philippines. It uses four clinics in Manila: Halcyon Marine Healthcare Services, Maritime Medical and Laboratory Clinic (MMC), SM Lazo Medical Clinic Inc and Supercare Medical Services Inc. There is also a clinic on the island of Cebu: Physicians Diagnostic Services.

The Club operates a similar scheme in the Ukraine, with three clinics in Odessa: Medical-Sanitary Centre of Odessa National Maritime Academy, Medical Centre ArchiMed-T and Medical Centre Zdrovye.

A significant number of Members now participate in the schemes and report them to be very effective. To ensure standards remain high, the Club continues – with the assistance of Medical Rescue International – to undertake a thorough audit and certification of each clinic annually.

Further information about the pre-employment medical schemes in the Philippines and Ukraine, and the provision of post repatriation care, will be given in the next issue of *Signals*.





# Getting ready for ECDIS

There are two types of electronic chart systems: those that comply with the International Maritime Organization (IMO) requirements for vessels, known as electronic chart display and information systems (ECDIS); and those that do not.

ECDIS becomes mandatory onboard new tankers and passenger vessels on 1 July 2012. The legislative roll-out will then phase in ECDIS for the vast majority of vessels over a six year period ending in July 2018. The adjacent table below shows the implementation programme.

Many Members are already using ECDIS equipment. However, for others the installation and training burden over the next few years is likely to be considerable and it is hoped this article will assist them in their preparations.

ECDIS is expected to deliver many benefits to both owners and mariners, such as reduced workload, enhanced monitoring capability and better passage planning. As with any new technology, Member's technical departments are faced with a number of organisational challenges and choices.

## Choice of equipment

The first choice is whether to run dual ECDIS, which significantly reduces the requirement for paper charts, or a single system, which requires paper charts to be used as a back-up. Where ECDIS is being used as the primary means of navigation, certificates of equivalent competency will also be required.

Members must then decide on the type of equipment they will purchase. Obviously it will have to comply with the ECDIS performance standard and be approved by relevant flag states, but after that the choice is up to the shipowner.

Standardisation across the fleet should figure highly in any decision making. Apart from a cost benefit for buying in bulk, it will mean seafarers moving from vessel to vessel within a fleet will be familiar with the equipment. This will reduce the stress on seafarers and the risks associated with learning to use new, navigationally vital and technologically advanced equipment.

## Training watchkeepers

Comprehensive training will need to be provided to seafarers using the equipment. In some cases this may be offered by the equipment manufacturer but in most instances it will be at a training centre. Demand for places on such courses is currently high and is likely to increase as more ships are required to carry the equipment, so Members need to be prepared for a training lead time of several months.



| Ship type         | Gross tonnage   | Date ECDIS must be fitted in new ships | Date ECDIS must be fitted in existing ships         |
|-------------------|-----------------|--|---|
| Passenger         | ≥ 500           | 1 July 2012                            | Not later than first survey on or after 1 July 2014 |
| Tanker            | ≥ 3,000         | 1 July 2012                            | Not later than first survey on or after 1 July 2015 |
| Other cargo ships | ≥ 50,000        | 1 July 2013                            | Not later than first survey on or after 1 July 2016 |
|                   | 20,000 – 50,000 | 1 July 2013                            | Not later than first survey on or after 1 July 2017 |
|                   | 10,000 – 20,000 | 1 July 2013                            | Not later than first survey on or after 1 July 2018 |
|                   | 3,000 – 10,000  | 1 July 2014                            | No requirement                                      |

Also, very few courses have international accreditation so the type of training to be undertaken – whether generic, type specific, onboard or ashore – and the choice of training provider should be carefully considered.

There have already been a number of ECDIS incidents (termed 'ECDISents') in which over-reliance has been cited as a contributing factor in collisions and groundings. This problem stems from ECDIS being such a useful tool for watchkeepers that it easily becomes their sole means of navigating the vessel. Traditional techniques, such as looking out of the window, become neglected – essentially the officer of the watch starts operating the vessel in a virtual world, which must be guarded against.

## Safety management system

Although the dangers of over-reliance are stressed during ECDIS training, it must be backed up by onboard procedures and training – enshrined in the safety management system – so bad habits do not develop in practice.

As ECDIS becomes more widespread and a new generation of watchkeepers grow up with it, ongoing training to guard against over-reliance will become even more important. Training measures that can be introduced to enhance the situational awareness of the officer of the watch will pay dividends.

Considerable resources need to be allocated to the installation and operation of ECDIS onboard. With the correct planning, training, onboard procedures and monitoring in place, ECDISents may be avoided.

# Travel documents for supernumeraries

Supernumeraries can be on board ships for a variety of reasons. Some, such as riding gangs, Member's shore-based staff and surveyors, are there in a professional capacity, while others may be the family of crewmembers. However, they are unfortunately often overlooked when it comes to preparing the necessary travel documents and other paperwork.

North has had several cases where a vessel has been fined for the presence of supernumeraries who have not had appropriate travel visas or similar. A Member was recently fined £2,000 (over US\$3,000) by UK authorities for each such supernumerary on board without the correct documents, irrespective of whether they intended to leave the vessel or not. The Member had ensured

that all crew carried the relevant travel documents, but had not considered the supernumeraries.

If a ship's orders and thus its itinerary changes, it can be difficult to make all necessary travel document arrangements. However, for scheduled and common ports of call it is important that Members consider all those who will be travelling on a ship, not just the crew.



# Piracy update

## Indian Ocean

Following the end of the southwest monsoon season and an upsurge in the number of pirate attacks further off-shore in the Indian Ocean basin, the Maritime Security Centre – Horn of Africa has published revised advice. It suggests vessels navigating in the Indian Ocean follow a route east of longitude 60 degrees east and south of latitude 10 degrees south when proceeding to and from ports in South Africa, Tanzania and Kenya.

When navigating in the region, vessels are also being advised to operate at a heightened state of readiness, maintaining strict 24 hour anti-piracy visual and radar watches, and actively implement recommended anti-piracy measures. They should regularly report their position, course and speed to the UK Maritime Trade Operations (UKMTO) office in Dubai, which acts as the primary point of contact for merchant vessels and liaison with military forces in the region.

## UN New York Declaration

In September 2009, ten countries signed up to the 'New York Declaration' to demonstrate their commitment to promote a document of internationally recognised best management practices (BMP) to deter piracy in the Gulf of Aden and off the Coast of Somalia.

Condemning all acts of piracy, the declaration identifies the current spate of pirate activity off Somalia and East Africa as causing particular concern.

Signatories acknowledge the contribution being made by international coalition forces and identify the role merchant vessels have in implementing their own self-protection measures in keeping with the BMP.

The declaration also acknowledges that self-protection measures against pirate attack are an essential part of a vessel's compliance with the ISPS Code.

Compliance with part A of the International Ship and Port Facility Security (ISPS) Code is mandatory and places strict obligations on a company and ship to, amongst other things, have a vessel-specific ship security assessment performed by a recognised organisation approved by the vessel's flag state administration. The vessel's security plan should then be drawn up to reflect the findings of this assessment.

In light of the New York Declaration's close alignment of industry BMP with statutory ISPS certification, vessels flagged in signatory states should be able to demonstrate that recommended measures considered appropriate in the BMP are incorporated in the vessel's statutory security plan, documents and certification.

Signatories to the New York Declaration include the Bahamas, Cyprus, Japan, Republic of Korea, Liberia, the Marshall Islands, Panama, Singapore, United Kingdom and the United States.

*Contact details for the UKMTO and a copy of the BMP can be obtained from the Industry News pages of the Club's website: [www.nepia.com/publications/industrynews/](http://www.nepia.com/publications/industrynews/)*



# US invokes alien species law for ballast water offences

A recent ballast water case in the USA has led to the first prosecution under the Non-indigenous Aquatic Nuisance Prevention and Control Act (NANPCA) – and a very costly one for the ship owner.

The case, which also involved breaches of the Act to Prevent Pollution from Ships and the Ports and Waterways Safety Act, eventually led to the owner being fined US\$2.7 million, making a community service payment of US\$100,000 and having its vessels barred from the USA for three years.

The prosecution followed a similar pattern to the USA's many oily-water separator prosecutions. The US Coast Guard (USCG) discovered fuel oil was leaking into the vessel's forepeak ballast tank, but the actual prosecution centred on failure to maintain proper ballast water records. By not noting the leak in the records, the vessel was effectively 'making a false statement' to a federal official, which is a criminal offence in the USA.

## Accurate records vital

The decision opens the way for further prosecutions in connection with the introduction of non-indigenous species. Members should therefore ensure that ballast water records accurately reflect any ballast water evolutions that may have taken place.

Where a vessel in US waters is experiencing problems with the ballast system it is best to report the problems

to the USCG. Any such report should include advice on how the problem is being handled onboard and details of rectification of physical defects.

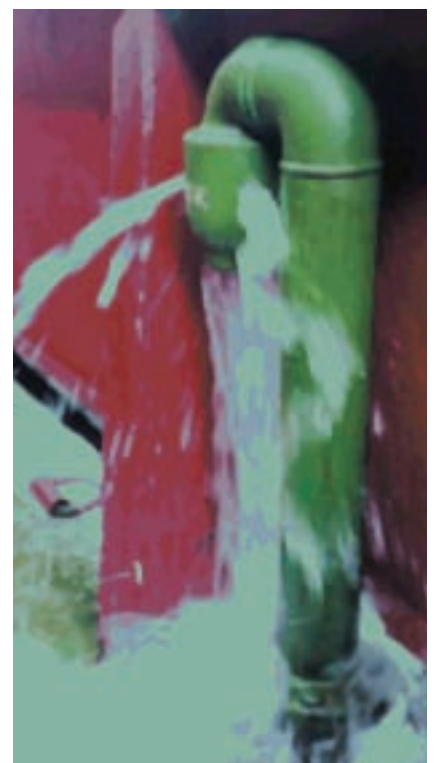
Members should also be aware that introduction of non-indigenous species can occur by other means, for example, the introduction of the Asian Gypsy Moth clinging to cargo or the ship's structure.

## New discharge standards

However, ballast water is likely to be under close scrutiny in the US in future, particularly as it appears that the USCG will be introducing phase one of its ballast water discharge standards – in line with the International Maritime Organization's Ballast Water Management Convention standards – for new vessels constructed on or after 2012 and for all other vessels by 2014 or 2016, regardless of the status of the convention at that time.

The new standard will require a USCG-approved ballast water management system to be installed onboard.

*For more information Members should refer to the Club's loss-prevention briefing on ballast water management which is available on the Club's website: [www.nepia.com/loss-prevention/publications-and-guides/loss-prevention-briefings/](http://www.nepia.com/loss-prevention/publications-and-guides/loss-prevention-briefings/)*





# Lower sulphur, higher risk?

## California

In a recent letter to vessel operators, the US Coast Guard (USCG) port captain for San Francisco has drawn attention to an increase in the number of vessels experiencing propulsion losses and fuel-related equipment failures since 1 July 2009. This was when the California Air Resources Board implemented a state law requiring ocean-going vessels to use low-sulphur marine distillates when operating within 24 nautical miles of the state baseline.

The recent propulsion failures and instances of erratic engine performance relating to switching from higher to lower sulphur content fuels have been most prevalent during slow-speed manoeuvring. The letter recognises the challenges faced by shipowners in overcoming the various design, performance and operational problems that arise from the fuel switchover, and urges owners to take proactive measures to improve fuel-switching safety.

It would appear likely that in the event of a major incident in California, in which fuel switching is found to be a contributory factor, the vessel procedures, training and maintenance regimes will come under close scrutiny. As such, low-sulphur fuel switch-over procedures should be comprehensive, incorporated into safety management and planned maintenance systems and based on equipment manufacturer's recommendations and industry best practice.

*Further information about USCG recommendations on fuel switching is provided in the Industry News pages of the Club's website:*

[www.nepia.com/publications/industrynews/legal/worldwide/634/](http://www.nepia.com/publications/industrynews/legal/worldwide/634/)

## European low limit

The European Union's marine fuels directive of 2005, which introduces a 0.1% sulphur limit on all marine fuels for ships berthed at EU ports (including at anchor), needed to be enacted by member states by 1 January 2010. However, the International Convention for the Prevention of Pollution from Ships (MARPOL) annex VI requires that a 0.1% sulphur limit for emission control areas (ECA) be implemented on 1 January 2015.

As such the EU directive sits outside the international framework. This raises problems as far as vessel design and modification are concerned. The implementation of the directive will require that vessels trading to EU ports will be required to carry three grades of fuel oil, which many vessels will be unable to achieve due to their current fuel oil tank configurations.

The Oil Companies International Marine Forum and Intertanko have been active on behalf of their members in highlighting concerns in respect of these requirements. They have identified, in partnership with boiler manufacturers and classification societies, a number of operational and technical problems in respect of the new 0.1% limit when alongside at EU ports.

In particular, the additional number of grades of fuel carried increases the chance of fuel incompatibility

and may lead to loss of power to the auxiliary engines during cargo operations, leading to an increased risk of oil spill.

Another safety concern is the risk of a furnace explosion due to flame failure arising out the changeover from heavy fuel oil to marine gas oil in boilers. Many boilers require modification and personnel will need to be appropriately trained. The boiler modifications and personnel training will take time and it is unlikely they can be achieved in the short time available before the implementation of the directive is due.

The EU has recognised these legitimate concerns and issued a recommendation to EU member states that invites them, while enforcing the directive, to consider the existence of detailed evidence of the steps taken by ships to ensure safe compliance with the directive. Member states may consider the existence of an approved retrofit plan when assessing the degree of penalties to be applied to non-complying ships. The wording of the recommendation is somewhat ambiguous and there is no guarantee that port states will adopt a uniform approach in implementing the recommendation. As such Members should check with their agents in EU states as to the situation prevalent in that state.

*Further information about boiler safety is provided in the Industry News pages of the Club's website:*

[www.nepia.com/publications/industrynews](http://www.nepia.com/publications/industrynews)

# Sun sets on single-hulled tankers

Tanker owners and operators will be aware that single-hulled tankers need to be phased out this year. However, flag states may allow continued operation of category 2 and 3 vessels beyond 2010, but only up to 2015 or the ship's 25th anniversary, whichever is earlier. Category 2 and 3 tankers with double bottom or double sides may continue trading up to their 25th anniversary, even if this is beyond 2015.

Category 2 tankers are 20,000 DWT and above carrying crude oil, fuel oil, heavy diesel oil or lubricating oil as cargo, and of 30,000 DWT and above carrying other oils, and which comply with the protectively located, segregated ballast-tank requirements ('MARPOL tankers'). Category 3 oil tankers are 5,000 DWT and above but less than the tonnage specified for category 1 and 2 tankers.

If the vessels are entered in the IMO Condition Assessment Scheme (CAS) and their CAS record is satisfactory, they may be able to trade beyond 2010 with the permission of the flag state.

## No guaranteed entry after 2010

However, port states have been given the right, should they so choose, to deny entry to single-hulled tankers from 2010 even where the flag state has granted an extension. From 2015 port states can also deny entry to a single-hulled tanker with double bottoms or double sides.

Tanker operators operating single-hulled tankers beyond this year with the permission of the flag state must satisfy themselves that the regulations in force in any port states they may trade to or pass through permit the operation of such vessels.

Even when a vessel is not originally intending to call at a port or offshore terminal in a coastal state applying the 2010 phase out, and the vessel is simply exercising

its right to innocent passage through territorial waters, should a situation arise where a vessel needs to call at a port or offshore terminal then it is likely, dependent on circumstances, to be denied entry.

Members operating single-hulled vessels should therefore consider carefully their intended trading patterns and take particular care when negotiating geographic limits in their charterparties.





# New BIMCO piracy clauses published



BIMCO has published three new piracy clauses for charterparties. The clauses consist of a revision of the piracy clause for time charterparties, first issued in March 2009, plus two newly developed piracy clauses – one for single voyage charterparties and one for consecutive voyage charterparties and contracts of affreightment. The three clauses are described here in detail together with their loss-prevention implications for owners and charterers.

## Piracy clause for time charterparties

The revised piracy clause for time charterparties states that

'The vessel shall not be obliged to proceed or required to continue to or through, any port, place, area or zone, or any waterway or canal which, in the reasonable judgement of the master and/or the owners, is dangerous to the vessel, her cargo, crew or other persons on board the vessel due to any actual, threatened or reported acts of piracy and/or violent robbery and/or capture/seizure (hereinafter "piracy"), whether such risk existed at the time of entering into this charterparty or occurred thereafter.'

## Loss-prevention points

- It is not sufficient for a master or owner to refuse a charterer's orders simply because of a general risk of pirate attack to shipping. The assessment of risk by masters must be made on the basis of their own vessel taking into account characteristics such as speed and freeboard, and other factors such as time of transit and additional security measures.
- The test is whether in the reasonable judgement of a master and/or owner the area through which a vessel is required to proceed is 'dangerous'. This is a higher threshold test than that set in CONWARTIME 2004. CONWARTIME 2004 allows masters/owners to refuse to proceed through an area if in their reasonable judgement a vessel is or is likely to be exposed to piracy.
- However, unlike CONWARTIME 2004, the new BIMCO clause applies even if the risk of piracy attack was known at the time the charter was concluded. This contrasts with the approach under the CONWARTIME war risks clause, which is intended to apply only if such risks arose after a charter was concluded and was therefore not contemplated by the parties.
- In the case of a trip time charterparty, consideration should be given whether or not to restrict the clause to circumstances where the risk of piracy had materially worsened since the date the trip charter was concluded. Doubtless many charterers, having agreed a trip charter incorporating this clause, would be surprised to be told by an owner that a vessel was not going to pass through, for example, the Gulf of Aden because of the risk of piracy attack and was instead going to take the longer routearound the Cape of Good Hope.

The revised clause also states that if a vessel proceeds to or through an area where due to risk of piracy, additional costs will be incurred including but not limited to additional personnel and preventative measures to avoid piracy, such reasonable costs shall be for a charterer's account.

## Loss-prevention points

- Whereas the clause says that a charterer will reimburse an owner the cost of additional necessary insurance cover, the explanatory notes accompanying the clause published by BIMCO state that the term 'additional insurance' is not meant to include supplementary insurances such as kidnap and ransom insurance. BIMCO's notes advise that the reference to 'additional insurance' is intended to refer to extra insurance cover required by an underwriter in addition to existing insurances to proceed with the voyage. However, anyone using the clause would be advised to amend the clause to make the position clearer.

Absent express words to the contrary, detention of a vessel by pirates under many standard time charter forms does not constitute an off-hire event. Importantly, the revised clause provides for a 90 day cap on the payment of hire should a ship be seized by pirates. The clause also makes clear that if seized by pirates, a charterer shall not be liable for late redelivery.

## Loss-prevention points

- The revised clause says that a vessel shall remain on hire throughout the period of any seizure by pirates but that a charterer's obligation to pay hire shall cease as of the 91st day after the seizure. An owner taking out loss-of-hire insurance would be advised to check that the operative event for the insurance cover is the fact of a charterer ceasing to be obliged to pay hire after 90 days seizure because, although payment of hire ceases, the vessel remains on-hire.
- Owners will note that loss-of-hire insurance is not an additional insurance 'necessary because the vessel proceeds to or through an area exposed to the risk of piracy'. As such, unless the BIMCO clause is amended, the cost of loss-of-hire insurance will be for owners.
- If because of being seized by pirates, the maximum duration of a charter is exceeded, an owner will not be entitled to damages for the period of overrun. This fact may be significant in a rising market, where the contractual rate of hire may be significantly below the market rate for a vessel.

As a matter of English law, it is an implied term of contracts for the carriage of goods by sea that the vessel shall carry out the contractual voyage without unjustifiable deviation. A deviation may be summarised as 'a deliberate going off the normal route'. The revised clause allows an owner various liberties to avoid the risk of piracy, and states that a charterer will indemnify

an owner in respect of any claims from bill-of-lading holders arising from (for example) an owner declining to proceed through areas it believes are dangerous because of the risk of piracy.

## Loss-prevention points

- As with all charterparty clauses that deal with potential deviations, owners should always check that any contractually agreed deviation does not in any way prejudice their P&I cover. There are no rigid rules in respect of whether P&I clubs will consider a deviation to be reasonable (and therefore covered) and it is generally determined on a case-by-case basis. Similarly, charterers should check they are properly covered in respect of any indemnities they are required to provide to owners under the revised piracy clause.
- When a vessel is in any area exposed to the risk of piracy, and takes preventative measures to avoid the risk of piracy, there is no right of indemnity against a charterer in respect of claims from bill-of-lading holders if these claims are covered by shipowner's liability (SOL) cover. The clause makes provision for the cost of SOL cover purchased by an owner to be reimbursed by the charterer. The clause does not protect a charterer in circumstances where an owner should have purchased SOL cover but did not do so. A charterer would always be advised therefore to seek confirmation of the owner's insurance arrangements and seek assurances that the owner will purchase SOL cover if advised by its P&I club to do so.

## Piracy clause for single voyage charterparties

The new BIMCO piracy clause for single voyage charterparties states that

'If, after the date of the fixture, and in the reasonable judgement of the master and/or the owners, any port, place, area or zone, or any waterway or canal on any part of the route which is normally and customarily used on a voyage of the nature contracted for becomes dangerous, or the level of danger increases, to the vessel, her cargo, crew or other persons on board the vessel due to any actual, threatened or reported acts of piracy and/or violent robbery and/or capture/seizure, the owners shall be entitled to take a reasonable alternative route.'

## Loss-prevention points

- Unlike the revised BIMCO clause for time charterparties, an owner is not entitled to invoke the piracy clause for single voyage charterparties if the risk of piracy existed at the time of the fixture. However, if any part of the route which is normally and customarily used on a voyage of the nature contracted for becomes dangerous, or the level of danger increases, an owner can insist on taking a reasonable alternative route.
- Under the new clause, an owner bears the costs of taking the alternative route. In addition, an owner should check that



departure from the contractually agreed route does not in any way prejudice P&I cover.

- Sub-clause (c) requires the new clause to be incorporated in any bill of lading issued pursuant to the charterparty and sub-clause (d) purports to give an owner protection from any claim of unjustifiable deviation. However, notwithstanding the clear intention of the clause, it would be prudent for an owner to take advice on whether the bill of lading does incorporate the clause before embarking on any deviation from the customary route. In the event that the bill of lading results in more onerous liabilities upon an owner than those assumed under the clause, an owner is given the benefit of an indemnity from the charterer. However, as with any indemnity provision, the protection of the indemnity could prove illusory if the charterer is not good for the claim.

### Piracy clause for consecutive voyage charterparties and contracts of affreightment

The new BIMCO piracy clause for consecutive voyage charterparties and contract of affreightment (COA) is intended to cover long-term arrangements as opposed to spot fixtures. It is closely modelled on the time charterparties edition. The key difference is that while a vessel is under the orders and directions of a charterer under a time charterparty, such that the charterer bears any costs related to piracy arising out of its orders and directions, costs are more equitably shared between the charterer and owner in a consecutive voyage/COA scenario.

In summary, the new clause entitles an owner to take an alternative route on a particular voyage should the risk of pirate attack be judged to be unacceptable. Should an owner decide to proceed through a risk area, then provision is made to take necessary preventative measures to reduce the risk. In terms of the allocation of costs, if an owner proceeds through a risk area then any additional costs incurred in implementing risk-reducing measures and obtaining additional insurance cover are to be shared by the parties. If an alternative route is sought, then the clause provides a formula to adjust the freight. In the event a vessel is seized by pirates, the charterer is liable to pay an amount equivalent to half the demurrage rate for the period of the seizure.

### Loss-prevention points

- As with the BIMCO time charterparties and single voyage charterparties piracy clauses, it is important for owners to check that any intended deviation does not prejudice their P&I cover. Similarly, charterers should check they are properly covered in respect of any indemnities they are required to give owners under the clause.

The BIMCO piracy clauses and explanatory notes are available on the BIMCO website: [www.bimco.org](http://www.bimco.org)

# Rule B Applications in New York



On 16 October 2009, the US Court of Appeals for the second circuit issued a decision in a case - *Shipping Corporation of India Ltd v Jaldhi Overseas Pte Ltd* - which has effectively put an end to the attachment of electronic fund transfers under the Rule B procedure in New York.

Rule B describes a procedure whereby property within the jurisdiction of the court, can be attached as security for a maritime claims, tangible or otherwise. This can be done for all types of property as long as the claim is able to be considered under New York federal court's admiralty jurisdiction, the defendant is not subject to the personal jurisdiction of the New York courts or does not have an agent in New York to receive service of process. It established a procedure where a claimant with a maritime claim in any jurisdiction in the world, could apply to the New York courts for security. US dollar electronic fund transfers routed through clearing banks in New York were one type of property that could be attached as security for legal proceedings commenced elsewhere, or to enforce a foreign judgement.

Since a decision in 2002 - *Winter Storm Shipping Ltd v TPI* - which established that electronic fund transfers were subject to attachment, there has been an enormous increase in the number of Rule B claims brought before the southern district of New York, to the point where about 33% of all actions brought this year were such claims with over 100 attachment orders per day served on New York banks. This has placed a significant burden on the banking and court system in New York.

The court has now held that neither the originator nor the beneficiary of an electronic fund transfer hold title to funds in the account at an intermediary bank. Therefore, the funds cannot be considered the defendants property and be subject to a Rule B attachment. The latest decision has therefore had a major impact upon the usefulness of the procedure, by curtailing the type of property that can be attached.

The implications for defendants with Rule B applications currently pending, and on those cases where funds have already been restrained, were not immediately clear from the decision in the *Shipping Corporation of India* case. However, a decision by the US Court of Appeals for the second circuit on 13 November 2009 in the case of *Hawknnet Ltd v Overseas Shipping Agencies* has confirmed that the decision in the *Shipping Corporation of India* case applies retroactively to all outstanding cases. This has the effect that electronic fund transfers made from banks to the registry of the court, without the consent of the defendant, must be vacated. The fact that a claimant may have relied on that security to further court or arbitration proceedings elsewhere does not make a difference.

Many judges have issued dismissal orders in relation to pending Rule B applications, and whilst some law firms have applied for a stay of dismissal orders on the basis of a conflict of interest (many of New York law firms act for both claimants and defendants), this is largely dependent on the judge hearing the case.

It is recommended that any Members' funds released are not forwarded to a New York bank account or law firm, as they could then be seen to be an identifiable asset of the defendant and could be re-attached. Similarly funds should not be sent directly to the named defendant, but rather to a lawyer escrow account outside the US.

The implications for security such as P&I club letters of undertaking or bank security that may have replaced electronic fund transfer security remains unclear, and legal advice should be obtained. Previous recommendations Members may have received to register to conduct business within the State of New York should also be reviewed. However, Rule B can still be relied upon for the attachment of bunkers, freight or bank accounts which are not registered in the jurisdiction.



# Cargo shortages – what the courts will accept

Contrary to popular belief, there is no generally accepted legal principle that a carrier need deliver only 99.5% of the cargo stated on the bill of lading and that a 'customary shortage' of 0.5% of the cargo is automatically acceptable.

The idea of a 'customary shortage' first arose when cargo underwriters applied a 0.5% depreciation on their goods in transit policies. This figure was not determined scientifically but used because it was convenient. Customs authorities around the world have compounded the misconception by allowing other differences between received and manifested quantities before imposing penalties.

Even where there has been an identifiable custom, the level of allowance may now be different as cargo owners with bigger and more expensive cargoes are finding the cost of the allowance is growing also and are less willing to write it off.

Both American and English courts reject the idea of a 'customary' allowance but accept that there are a multitude of reasons why the quantity of bulk cargoes – both wet and dry – might (a) *differ* or (b) *appear to differ* from the quantities allegedly placed on board.

The distinction between (a) and (b) is important. At (a), there is a loss occurring during the voyage. The court may allow the carrier a defence to that loss if it can be brought within the Hague Visby Rules defences. At (b) there is no real loss, but a measurement error, perhaps unavoidable due to the nature of the cargo. These will be looked at in turn.

## Loss during the voyage

Where there is a loss, the most likely Hague Visby Rules defences (article IV, rule 2) are (m) "*wastage in bulk of weight or any other loss or damage arising from inherent defect, quality or vice of the goods*" or (q) "*any other cause arising without the actual fault or privity of the carrier...etc*"

In short, these defences recognise that due to physical phenomena – such as evaporation, sedimentation, stratification or shrinkage – cargo can be "lost" during the voyage.

An example of this is coal, which can be wetted during loading to reduce dust. As the voyage progresses, the water drains into the bilges and is pumped out. This will reduce the weight as determined by a draught survey. Masters should record the quantity of water removed from bilges when carrying this sort of cargo.

Other dry bulk cargoes can lose weight over time as a result of evaporation of moisture content through ventilation. Some liquid cargoes, especially liquid petroleum cargoes, are also known to lose weight over time from evaporation. The Club's loss-prevention guide *Shipboard Petroleum Surveys – A Guide to Good Practice* records that inevitable losses arising on



tankers carrying crude oil account for something in the region of 0.1%.

## Apparent loss due to measurement inaccuracy at the load-port

As many mariners will note, determining the quantity of a bulk cargo loaded on board is more of an art than a science.

Wet bulk cargoes are usually measured using the ullage method – whether in ships' tanks or in shore tanks. Ullages have to be converted to volume using ullage tables, which may be incorrect as the geometry of a ship's tank may have changed over time and a vessel experience factor will have to be constantly re-calculated to reconcile shore tank figures with ship's tanks figures.

Then there are all the qualities of the cargo, such as solidification, sedimentation and viscosity, which mean that the quantity sent from the shore tanks will not be the same as the quantity received at the ship's tanks. The Club's loss-prevention guide *Shipboard Petroleum Surveys – A Guide to Good Practice* notes that accuracy should be achievable within 0.3%. Differences beyond that should be investigated.

Dry bulk cargo quantities are often determined by draught survey. North of England's loss-prevention guide *Draught Surveys – A Guide to Good Practice* notes that a well conducted draught survey of a large vessel should achieve accuracy to within 0.5%. But draught surveys are not always conducted in ideal circumstances and accuracies of this level are not always achievable.

Whilst the law and the Hague Visby Rules recognise the problem of measurement and afford the carrier

some leeway (for example by upholding the carrier's right in some jurisdictions to rely on expressions such as "weight unknown"; or by placing the ultimate responsibility for bill of lading figures on the shipper (Hague Visby Rules, article III, rule 3) this is a different issue from customary shortage. Measurement is a load-port problem, customary allowance is there because of loss during the voyage itself.

## Cumulative effect

Often a shortage claim arises from a combination of apparent loss due to measurement inaccuracy and actual loss due to the cargo's physical characteristics. Unfortunately, in the majority of disputes, any difference between bill of lading and discharge figures which is greater than can be explained by measurement inaccuracy and drying/evaporation is held to be the fault of the carrier and the carrier will be held liable accordingly. To assist in resisting such liabilities:

- Members can obtain more information about trade allowances from Global Legal Navigator, which is available to Members as part of the North Online service and includes information about the acceptance of trade allowances in various countries. Website: <https://members.nepia.com/>
- Members can also obtain further information about bills of lading and carrying out draught surveys and shipboard petroleum surveys by referring to the Club's loss prevention guides on these topics.

*Members requiring additional copies, or electronic versions, of the Club's loss prevention guides should contact the loss prevention department. Email: [loss.prevention@nepia.com](mailto:loss.prevention@nepia.com)*





## Grain cargoes: poor condition or poor quality?

It is often said that the master's role is to comment on the condition of a cargo, not its quality. However, masters may be called upon to decide whether the cargo in their holds is a good cargo in poor condition, in which case they should clause the bills of lading accordingly, or a poor cargo in good condition, in which case they should not clause the bills. This is basically a question as to whether the cargo has been properly described on the bill of lading.

North of England has been dealing with a claim on just this point involving a cargo of wheat. Authorities at the discharge port refused to allow the cargo to be discharged because it failed to meet import quality requirements. The cargo owner abandoned the cargo on board the ship and commenced an action against the ship owner, as carrier, alleging either that the cargo was damaged on board or that the master failed to clause the bills of lading to reflect its condition on loading.

The owner suffered a loss of earnings by being deprived of the use of the ship for some time, and incurred additional cost taking the cargo to an alternative port where it could be sold. With the Club's assistance, the owner is seeking to defend the cargo owner's claim and recover its losses and additional expenses.

Whenever masters are unsure as to the proper description of the cargo, they are urged to seek assistance from the Club's local correspondent, which will be able to advise whether the cargo conforms to the usual specifications of a cargo of that description. If it does not, the correspondent or appointed surveyor can advise the master on the proper clausing of the bill of lading.

# IMO update



## Voyage data recorders

Voyage data recorders (VDR) must be fitted by 1 July 2010 to cargo ships of 3,000 to 20,000 GT built before 1 July 2002 to comply with the International Convention for the Safety of Life at Sea (SOLAS) chapter V, regulation 20.2, as amended by resolution MSC 170(79).

However, flag state administrations can exempt ships from VDR installation if they are being taken permanently out of service within two years of the deadline.

## Electronic charts

Amendments to SOLAS chapter V, regulation 19, introducing compulsory fitting of electronic chart display and information systems (ECDIS) come into force on 1 July 2011, in accordance with the timeline described in resolution MSC.282 (86) - see page 3 of this issue of Signals.

Consideration will need to be given by owners to ensure that vessels are also provided with electronic navigation charts (ENC) issued by a hydrographic authority or its agents that cover all of the intended voyage.

Ship operators and managers will be required to ensure training and familiarisation has been incorporated into the company's safety management system. Deck officers in particular will be required to be fully familiar with ECDIS operation before a vessel's first voyage with the equipment fitted.

## Lifejackets

Significant amendments will be made to the International Life-Saving Appliance (LSA) Code on 1 July 2010 in accordance with resolution MSC 207(81) affecting the design and construction of lifejackets, immersion and exposure suits.

Lifejacket sizing requirements mean passenger vessels will need to carry infant, child and adult-sized jackets. Adult lifejackets will need to fit persons weighing up to 140kg, which may require existing lifejackets to be adapted.

## Emission control

Amendments to annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL) will come into force on 1 July 2010 in accordance with resolution MEPC 176(58). These include the introduction of emission control areas (ECA), where ships are subject to mandatory measures to reduce emissions of nitrogen and sulphur oxides and particulate matter. ECAs will include areas listed in or designated under regulations 13 and 14 of annex VI.

The MARPOL annex VI sulphur content limits of fuel used in ECAs and globally over the next 15 years are shown in the table below.

Tankers loading and discharging crude oil in ports regulating the emission of volatile organic compounds (VOC) will also be required to fit vapour emission collection systems approved by the port administration. In addition they will need to have a VOC management plan.

| MARPOL annex VI fuel sulphur limits |                                     |
|-------------------------------------|-------------------------------------|
| Date                                | Sulphur limit                       |
| 1 January 2010                      | ECA sulphur limit maximum 1.00%     |
| 1 January 2012                      | Global sulphur limit maximum 3.50%  |
| 1 January 2015                      | ECA sulphur limit maximum 0.10%     |
| 1 January 2020                      | Global sulphur limit maximum 0.50%* |
| 1 January 2025                      | Global Sulphur limit maximum 0.50%* |
| *subject to 2018 review             |                                     |

# Line stripping in chemical tankers

North of England has noticed an increased trend in liquid chemical cargo claims arising out of improper or incomplete stripping of lines, especially when lines are being switched over from one cargo to another or after line cleaning. This seems to be happening most frequently on tankers involved in short sea trades, possibly because crews on those trades are under greater time pressure.

Whatever the reasons involved, liquid chemical cargoes can be both very valuable and sensitive to contamination. Claims arising from these incidents can be extremely

expensive and often the Club has little with which to defend Members' interests.

Masters are reminded that they should take great care in the preparation of lines and tanks for the carriage of liquid chemical cargoes and should not feel under pressure from shippers or charterers to reduce preparation times. Any time saved at the load port is likely to be lost at the discharge port if the receiver complains of contamination and detains the vessel. Any cost savings are likely to be lost through the cost of delays and loss of earnings.





# New Chinese pollution regulations



The Regulations of the People's Republic of China on the Prevention and Control of Marine Pollution from Ships take effect on 1 March 2010. Their aim is to establish comprehensive rules governing oil pollution prevention, response and clean up within Chinese waters.

The regulations cover any ship-sourced pollution and any ship-related operation that causes or may cause pollution damage in inland and territorial waters, contiguous and economic zones, the continental shelf and all other sea areas under China's jurisdiction.

Many aspects of pollution-related incidents are covered including discharge and reception of oil pollutants, dumping of waste and permissions for dumping, oil pollution response planning, oil spill clean-up arrangements, reporting and emergency handling of pollution incidents, investigation and compensation of pollution incidents, supervision of

loading and discharging of hazardous cargoes, and penalties for contravening any of the regulations' requirements.

It is understood that further implementation legislation is being drafted to give effect to a number of the provisions contained in the regulations.

## Approved clean-up contractors

The regulations require the operator of any ship carrying polluting and hazardous cargoes in bulk or of any other vessel above 10,000 GT to conclude a pollution clean-up contract with a pollution response company approved by the People's Republic of China Maritime Safety Agency (MSA) before entering a Chinese port.

MSA is currently approving contractors in various Chinese ports and further legislation will be issued in the near future. This will cover both the response contracts that need to be concluded by operators and the contractors approved by MSA.

Although MSA has undertaken to complete the inspection of contractors within 30 working days of receiving their application for approval, this is likely to result in a very short time period within which operators can conclude clean-up contracts prior to 1 March 2010. It is understood that an extension may be given to the entry-into-force date of this aspect of the regulations. However, should this not be granted, Members will need to be compliant by 1 March 2010.

## On-board emergency response plans

The regulations require shipowners, operators or managers to maintain emergency response plans for the prevention and control of marine pollution.

It is understood that an International Convention for the Prevention of Pollution from Ships (MARPOL) shipboard oil pollution emergency plan will be sufficient to meet this requirement.

## Format for reporting accidents

Any actual or likely pollution incident taking place within China's territorial waters or those under its jurisdiction must be reported to the local MSA. The accident report needs to contain the following information

- ship's name, nationality, call sign or number
- name and address of the owner, operator or manager of the ship
- time, place, weather and sea condition of the accident
- preliminary determination of the cause of the accident
- type, quantity, stowage, location of the pollutant substance on the ship
- degree of the pollution
- pollution control, disposal measures adopted and to be adopted, current situation of control of the pollution and salvage requirements
- any other required information.

*Further information will be posted on the Industry News pages of the Club's website as it becomes available.*

# Lifeboat –fall preventer devices

Accidental hook releases during lifeboat drills kill and injure seafarers every year, and North of England has been advocating the use of fall-preventers as an additional safety measure since 2008. The International Maritime Organization (IMO) reinforced the message in June 2009 with the publication of MSC.1/Circ.1327 – Guidelines for the fitting and use of fall preventer devices.

## Unexpected response

However, there has been an unexpected response from a major lifeboat manufacturer, which has stated fall-preventer devices are not required on its lifeboats when

- the lifeboats have been inspected and serviced by the manufacturer or a person trained and certified by the manufacturer in accordance with IMO MSC.1/Circ.1206 – Measures to prevent accidents with lifeboats
- the crew and officers operating and maintaining the lifeboats are trained.

One of the reasons given is that lifeboat hook installations and davit suspension arrangements have not been designed to accommodate the shock-loading produced by fall preventer devices if the on-load hooks fail.

However, it could be argued that in the event of inadvertent opening or failure of an on-load hook,

seafarers would already be at great risk of death or injury and would at least have some chance of being protected if fall preventer devices were fitted.

## Secondary protection

IMO says in MSC.1/Circ.1327 that a fall preventer device can be used to 'minimize the risk of injury or death by providing a secondary alternate load path in the event of failure of the on-load hook or its release mechanism or of accidental release of the on-load hook'.

Clearly if fall preventer devices are not fitted, seafarers are afforded no such secondary protection. This particular manufacturer's policy is disappointing as it may make it more difficult for ships fitted with its equipment to follow IMO recommendations.

IMO says fall preventer devices should be considered as an 'interim risk mitigation measure, only to be used in connection with existing on-load release hooks, at the discretion of the master, pending the wide implementation of improved hook designs with enhanced safety features'. Owners should contact their flag state administrations for advice on the use of fall preventer devices as recommended by IMO.

## Restoring confidence

If fitted and used properly, fall preventer devices should provide an effective additional safety measure during lifeboat operations. Not only will

this help to reduce the death and injury toll during lifeboat drills, it will also act to restore seafarer's confidence in the equipment. This is vital if training, drills, maintenance and familiarisation with the lifeboat and its equipment are to be implemented correctly.

The shipping industry as a whole must endeavour to ensure seafarers are protected by their safety equipment, not killed or injured by it. IMO has addressed this issue by issuing MSC.1/Circ.1327 and the Club recommends Members follow its advice.





## Putting P&I at the heart of post-graduate education

Four leading British universities have now adopted North's unique distance learning course on their post-graduate marine and law courses, helping future industry professionals gain a better understanding of these vital topics.

There was another healthy intake last year to Newcastle University's one-year master of science (MSc) degree in marine transport and management, with over 20 new graduates. North of England's distance-learning coursework on P&I insurance and loss prevention has formed the basis of a compulsory module on marine liability insurance and law for over seven years, and has now been completed by over 130 graduates from all over the world.

Collaboration with Glasgow and Strathclyde Universities' joint school of naval architecture and marine engineering also continues. A further 20 naval architecture and marine engineering

graduates recently enrolled on North's distance learning course as part of a marine contracts and insurance module on an MSc in technical management of ship operations.

Last year's successful guest lecture by the Club to Northumbria University's faculty of law on P&I insurance resulted in an invitation to deliver a marine insurance module as part of the university's LLm programme. More than 20 graduates enrolled on the module in September 2009 and, following a series of lectures and practical workshops on a wide range of marine insurance topics through November and December, the first final exams take place this month.

*Ahmet Cagdas Gunay receives his prize as winner of the best student on the Marine Liability Insurance and Law module at Newcastle University from Andrew Glen.*



## Loss-prevention visits continued in 2009



Tony Baker and James Moran at Misuga Kaiun Co Ltd, Manila, Philippines

Staff from North's loss-prevention department, with support from throughout the Club, visited over 50 Members' offices around the world during the year to provide presentations and workshops on a wide variety of subjects. Popular and topical issues covered included navigation with a pilot on board, the safe carriage of containers, preventing bunker claims, carrying out draught surveys, lifeboat safety, piracy in the Gulf of Aden, the use of letters of indemnity and the introduction of the 2006 Maritime Labour Convention.

Many of the seminars were attended by officers and crew members from Members' ships, enabling a very useful exchange of information and ideas.

## North Online

North Online is part of North of England's electronic service developed specifically to enable Members and brokers to access information relating to their entries with the Club. Information is provided for all ships entered since 1997 and is updated at the close of business every day of the year. Claims can be searched and viewed by Member, vessel or voyage and various claims-analysis functions can also be performed.

Access to North Online is via the Club's website from which Members can enter their UserID and password on the logon screen: <https://members.nepia.com/>

A guide to the facilities available on North Online and how it can be accessed and used is enclosed with this issue of Signals for Members and brokers.



### Global Legal Navigator

Global Legal Navigator is another service provided to Members on North Online. It enables access to the Club's service that provides answers to a wide range of commonly asked questions on a variety of topics. The responses have been drafted by leading law firms from a large number of countries and are regularly updated. The aim of the service is to provide a starting point or quick and easy reference for Members when considering a legal topic in a particular jurisdiction. It should not however be seen as a substitute for seeking direct legal advice from the Club when specific circumstances arise.

NORTH ONLINE

P&I Claims FD&C Claims Account Balances Underwriting Other Services

Claim Search

Policy Year From: 2009

Policy Year To: 2009

Broker: - ALL BROKERS - (20ZZZ)

Group: [All Groups]

Member: [All Members]

Vessel: [All Vessels]

Claim Status: [All Claims]

Currency: USD

Search Download

(Denotes a field that is mandatory.)



# Residential training course 2010

North of England's popular annual residential training course in P&I insurance and loss prevention will take place again this year at Lumley Castle and other venues near Newcastle, UK.

The course, which runs from Friday 4 June to Friday 11 June, is divided into three parts and delegates can choose which part or parts they wish to attend, making it suitable for people of varying backgrounds and experience.

The three parts are

- an introduction to ships and shipping, including a visit to ships at a local port (Saturday and Sunday)
- an introduction to marine insurance (Monday)

- a workshop-based in-depth look at P&I insurance and loss prevention (Tuesday to Friday).

Demand for places on this popular course is always high so Members' staff wishing to attend should register as soon as possible.

A course brochure and booking form is available to view and download from the Club's website: [www.nepia.com/loss-prevention/education-and-training/residential-training-course.php](http://www.nepia.com/loss-prevention/education-and-training/residential-training-course.php)

Members requiring further details of the course or to book a place should contact Denise Huddleston in the loss prevention department. Email: [rtc2010@nepia.com](mailto:rtc2010@nepia.com)



## Signals Search 22

### Questions

- 1 What navigational system becomes mandatory on board new passenger vessels from 1 July 2012?
- 2 What acronym is used for the US environmental act that governs non-indigenous species?
- 3 Which organisation has recently published new piracy clause for charterparties?
- 4 Which group of people travelling on board ship need to check their documents carefully?
- 5 In what equipment is there a particular safety concern arising from the changeover to marine gas oil?
- 6 Which castle hosts the annual residential course?
- 7 What is the US state funded health insurance programme of last resort called?
- 8 What is the Club's website claims service for Members called?
- 9 What acronym is given to the devices recommended by IMO MSC circular 1327?
- 10 During what procedure can claims arise on chemical tankers?



- Signals Search is open to all readers of Signals.
- Send a copy of your completed search, along with your name and, if appropriate, name of ship, position on board, company and address to Denise Huddleston at the Club. Email: [denise.huddleston@nepia.com](mailto:denise.huddleston@nepia.com)

- All correct entries received by the closing date will be entered in a prize draw.
- Closing date Friday 5 March 2010.

Prizes will be awarded to the first correct entry and two runners-up drawn.

Details of the winner and runners-up will appear in the next edition of *Signals*.

### Your copy of Signals

Copies of this issue of *Signals* should contain the following enclosures:

- Safe Work poster – Restricted Visibility (Members and entered ships only)
- Signals Experience case study – Navigation in restricted visibility (Members and entered ships only)
- North Online Guide – (Members and brokers only)

### Signals Search No. 21 Winners

**Winner:**  
Captain Shihab Khair, Master MT DUKHAN,  
Qatar Shipping Company

**Runners-up:**  
Oscar Santillan, KERRY EXPRESS, Vroon BV  
Abdur Rab, MT SEA LION, FAL Shipping Co Ltd

### Answers to Signals Search 21

- 1 Anchors
- 2 IMSBC
- 3 Redelivery
- 4 Flexitanks
- 5 Inflation
- 6 Proper
- 7 Website
- 8 Remote
- 9 CSM
- 10 Malaria

• In this publication all references to the masculine gender are for convenience only and are also intended as a reference to the female gender. Unless the contrary is indicated, all articles are written with reference to English Law. However it should be noted that the content of this publication does not constitute legal advice and should not be construed as such. Members with appropriate cover should contact the Association's FD&D department for legal advice on particular matters.

• The purpose of the Association's loss prevention facility is to provide a source of information which is additional to that available to the maritime industry from regulatory, advisory, and consultative organisations. Whilst care is taken to ensure the accuracy of any information made available (whether orally or in writing and whether in the nature of guidance, advice, or direction) no warranty of accuracy is given and users of that information are expected to satisfy themselves that the information is relevant and suitable for the purposes to which it is applied. In no circumstances whatsoever shall the Association be liable to any person whatsoever for any loss or damage whatsoever or howsoever arising out of or in connection with the supply (including negligent supply) or use of information (as described above).

**NORTH**

'Signals' is published by  
North of England P&I Association Limited  
Registered Office:  
Baltic Place South Shore Road Gateshead Tyne & Wear NE8 3BA UK  
Tel: +44 (0) 191 232 5221 Fax: +44 (0) 191 261 0540  
Email: [loss.prevention@nepia.com](mailto:loss.prevention@nepia.com)  
Website: [www.nepia.com](http://www.nepia.com)