Signals NEWSLETTER

NORTH
SERVICE, STRENGTH, QUALITY

Welcome...

Welcome to the October 2014 edition of *Signals,* which provides information relating to loss prevention and other topics of interest to ship operators and seafarers and examines their implications and consequences.

IN THIS ISSUE

The Ebola Virus Disease (Ebola) outbreak in West Africa is of concern to Members and crews with vessels trading to West Africa. We consider two aspects of the outbreak firstly, we discuss some simple measures which may be taken on board to help keep crew safe and secondly, we look at some of the issues surrounding charterparties such as safe port and delay/off hire.

Bunker shortages are commonplace and, in an effort to reduce shortages and the inevitable disputes resulting from the shortages, the Maritime and Port Authority of Singapore (MPA) will be mandating the use of approved mass flow metering systems on all bunker supply vessels operating within the port limits of Singapore from 1 January 2017. The article explains, in simple terms, how mass flow metering may assist in reducing shortages when bunkering in Singapore.

Containers which weigh in excess of the declared weight can cause problems once on board. They can contribute to stow collapses, make the precise calculation of vessel stability difficult, and have even been linked to the structural failure of container vessels. The IMO has addressed this issue with draft amendments to SOLAS aimed at shippers being approved for adoption during November 2014.

Controlling smoking on board is an important aspect of keeping the vessel and cargo safe, we stress the importance of controlling smoking on board in this edition.

A new feature in this issue of *Signals* is entitled Calling all Cooks. We are asking ships' catering staff to submit their healthiest and tastiest menus, along with preparation guidelines. Winning entries will be published in the next edition of *Signals*.

Also included in this issue are articles discussing the disposal of oily rags, the correct charts to have on board, the difficulties of hiring armed guards for anti-piracy duties in Nigeria, the Interclub agreement, deviation and shipowners liability insurance (SOL) cover.

Finally, we include an IMO update, a note on recent loss prevention activities and a collision case study on the back page.

Accompanying this issue is the latest in our Soft Skills Poster series entitled Teamwork.

The primary purpose of *Signals* is to inform and be of use to Members and their crew. We welcome feedback and suggestions for future articles.

***Issue 97:* October 2014**

LOSS PREVENTION NEWSLETTER
FOR NORTH'S MEMBERS

DISPOSING OF OILY GARBAGE

The accumulation of oily rags is inevitable during the normal operation of a vessel, in particular when carrying out maintenance. As with all other types of waste, what is generated must also be disposed of. The disposal of all types of ship generated waste must be carried out in full compliance with international and any relevant local legislation and oily rags are no exception.

Marpol Designation

Oily rags are considered to be a form of solid waste that is either saturated or contaminated with oil and as such falls under MARPOL Annex V which relates to garbage. This is further clarified in the Unified Interpretation of Annex I where it confirms that oily rags should be treated in accordance with Annex V.

In accordance with MARPOL Annex V, disposal at sea is prohibited. This type of waste must either be incinerated on board (again in accordance with international and any local regulations) or landed ashore for processing.

Storage and Segregation

It is recommended that types of garbage that could present a hazard to the ship or the crew, such as oily rags, be separated at source and kept segregated. Due to the additional fire risk, it is further recommended that oily rags are kept in a closed fire-resistant receptacle and this should be reflected in the vessel's garbage management plan.

Rag bin with missing lid – a potential fire risk.

Landing Oily Rags

Ships' crew should take care when landing oily rags ashore. It is essential that prior to landing oily rags, or other types of oil contaminated solid waste, to port reception facilities, that all local requirements are satisfied. This will include complying with any advance notification requirements as well as the port's disposal procedures. If weak plastic bags are used to contain the waste, then they may be prone to ripping, leading to leakage. This leakage may lead to allegations of pollution and can contaminate other waste material, which in turn can lead to fines, vessel detention and clean-up costs.

To avoid these potential risks, crew members should ensure that they are familiar with the vessel's garbage management plan and the vessel should take the time to enquire from the port authority or the local agent what local regulations are in force in respect of oily rags as these will vary from port-to-port.

CHARTING A COURSE – IT'S OFFICIAL

A recent vessel detention in Australia has highlighted the need for vessels to ensure that they always have sufficient official charts available on board to cover the intended voyage.

The detention stemmed from the fact that the vessel was using scanned and printed charts for navigation, rather than official charts. The detention was appealed by the shipowners, but upheld on the basis that reliance on unofficial charts demonstrated inadequate voyage planning under the ship's safety management system, which leaves the ship in an unfit state to encounter the ordinary perils of the voyage without posing a threat to the environment.

Whilst the detention of a vessel is a serious matter, the potential consequences of a major incident, such as a grounding, in which the use of unofficial charts was found to be contributory or causative, may lead to allegations of unseaworthiness and the plethora of problems this may bring.

The use of unofficial charts, whether they are paper or electronic, can have very serious consequences. Members should ensure that vessels always have sufficient, up-to-date official charts of a suitable scale to cover the entire intended voyage.

An untidy garbage station – a potential fire risk.

Untidy storage on deck may lead to pollution.

BUNKER MASS FLOW MEASUREMENT

In their Port Marine Circular No.8 (2014) dated 29 July 2014, the Maritime and Port Authority of Singapore (MPA) advised that they will be mandating the use of approved mass flow metering systems on all bunker supply vessels operating within the port limits of Singapore from 1 January 2017.

It has been generally recognised in the maritime industry that this is a welcome step and should help towards preventing bunker quantity disputes as well as addressing concerns on the cappuccino effect.

Cappuccino Effect

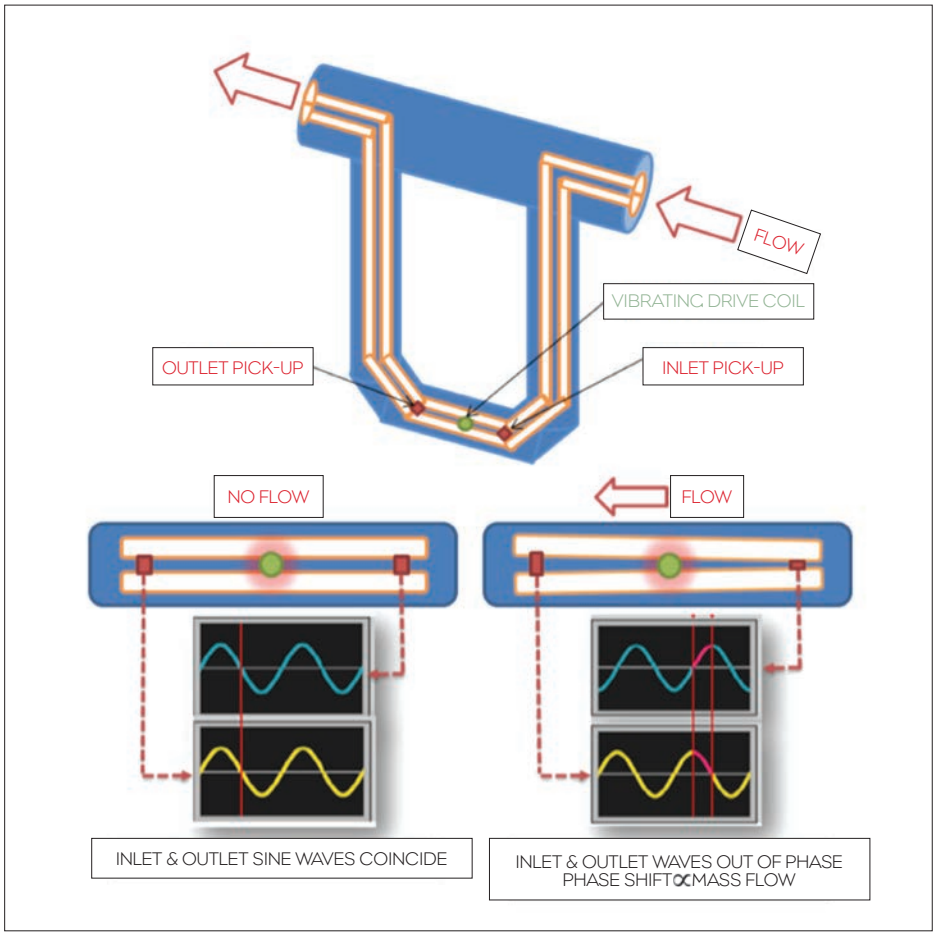
The cappuccino effect occurs when air is entrained into the fuel oil during the bunkering process and therefore increases the observed volume of the stem. As bunkers are purchased by weight, but traditionally calculated by measuring the volume (m^3) and applying correction factors to calculate weight (MT), the application of air to increase the volume can be exploited by an unscrupulous bunker supplier. The benefit of a mass flow meter in this regard is that the entrained air will not be an influencing factor when measuring the mass flow of the fuel.

Calculating the Quantity

A further benefit of using mass flow meters is that it should remove the chance of mistakes that can be made during the quantity calculation process. From the taking of tank soundings or ullages, adjusting for trim, the reading of the vessel's tank calibration tables, to the adjustment for temperature and density and the application of correction factors, the traditional quantity calculation method introduces several opportunities for errors.

Although vessels should still carry out their usual tank measurements in this manner, the use of a properly calibrated mass flow meter should go a long way to prevent disputes. This is even more pertinent when having to rely upon the bunker barge's own tank calibration tables to assess the quantities on board the barge at the beginning and end of the operation.

However, when a mass flow meter is in use, the ship's crews should still remain vigilant to the possibility of excessive water content of the bunkered fuel as a mass flow meter may not be able to differentiate between water and oil.



The Science Bit…

Mass flow meters generally work on the principle discovered by Gustave Coriolis in the 19th century where the deflection of a moving mass as viewed from a rotating reference point is considered.

In a modern mass flow meter, the rotating reference point is replaced by a vibrational reference. The mass flow of the fluid is then based on the interaction of Coriolis forces generated.

The diagram above represents a curved tube type mass flow meter.

The fluid enters the meter and the flow is split in two, with half the flow through each curved tube running parallel to each other. A drive coil induces vibration and the tubes oscillate at their natural frequency. The resultant waveforms are measured by pick-ups at the inlet and outlet.

If there is no flow, then there is no deflection of the tubes as there is no generation of Coriolis forces. Therefore the waveforms at inlet and outlet are 'in phase'.

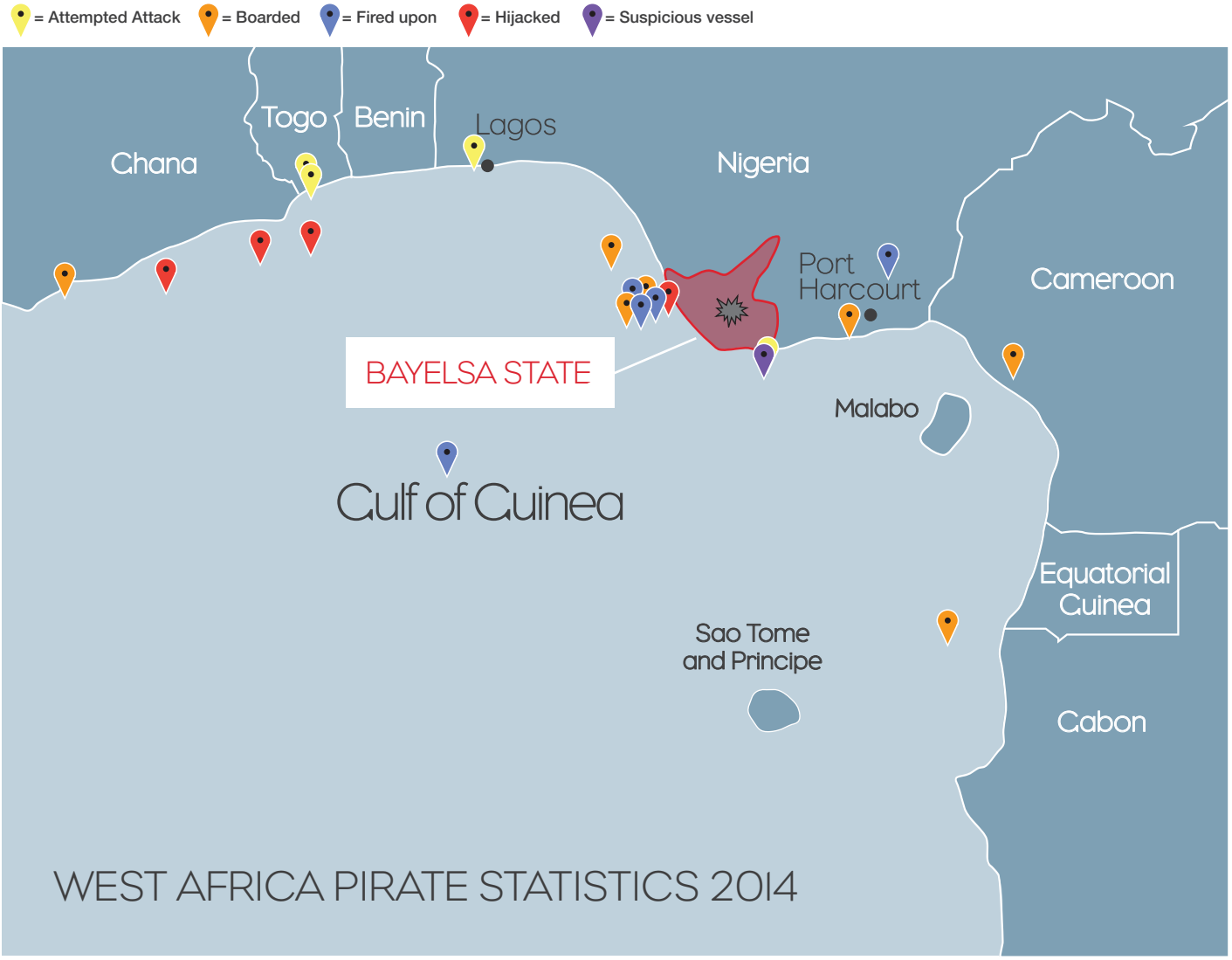
When flow is introduced, there is a deflection in the tubes caused by the generated Coriolis forces resisting the induced vibration. The measured waveforms at inlet and outlet become 'out of phase' with each other and this phase shift is proportional to mass flow.

Further Information

Singapore MPA has produced a set of FAQ's on mass flow metering and can be found on their website at: ***http://www.mpa.gov.sg/sites/port_and_shipping/port/bunkering/bunkering.page***

We would also suggest that bunker checklists are reviewed accordingly to take into consideration bunkering from a barge fitted with an approved mass flow metering system, such as verifying the meter's security seals, recording meter readings, checking the issued bunker metering ticket is in order and ensuring no meter bypassing arrangements are apparent.

THE USE OF ARMED SECURITY GUARDS IN NIGERIA



Source: IMB Piracy & Armed Robbery Map 2014

The Baltic and International Maritime Council (BIMCO) has issued a security advisory alert reporting that Members operating vessels within the Nigerian Exclusive Economic Zone (EEZ) and territorial waters should be aware that they may be at risk of potentially significant liabilities and delays if they employ armed guards on board their vessels. This appears to apply regardless of whether armed guards are from the Nigerian Marine Police, the Nigerian Police and are sourced by an agent or a Private Maritime Security Company (PMSC).

It is understood that the operations of the Nigerian Marine Police and the Nigerian Police are restricted to the Nigerian delta and the country's ports and harbours. Their jurisdiction reportedly does not extend to the high seas beyond the breakwater.

The Nigerian Navy does not permit armed guards on merchant vessels and the only authorised method of employing security protection within Nigeria's territorial waters and the EEZ is by utilising the services of the Nigerian Navy.

The employment of unauthorised armed security guards on board merchant vessels has so far resulted in several arrests this year. The security guards were provided by the Nigerian Police and detentions lasted up to six weeks.

Obviously this situation is highly problematic for Members trading to Nigeria who wish to employ the services of armed guards. At present there appears to be no option other than to use the services of the Nigerian Navy in order to avoid potential vessel arrest and associated problems.

Members should continue to use GUARDCON suitably amended for its use in West Africa. For guidance on this please see the Club's Circular Reference, 2014/015 (11 April 2014). This Circular confirms that the BIMCO GUARDCON contract for the employment of PMSCs on vessels conforms with Club cover and Pooling arrangements. ***http://www.nepia.com/publications/clubcirculars/general/1444/***

BOILER EXPLOSIONS

Incidents involving marine boilers continue to occur. Regrettably, such incidents may lead to serious and often fatal injuries to crew members and contractors.

High pressure water-tube marine boilers are rarely found at sea nowadays, but most vessels will be fitted with a 'low pressure' auxiliary boiler and these have the potential to cause just as much, if not more, damage than their high pressure equivalents when things go wrong.

The significant risk associated with auxiliary boilers is that of explosion. An explosion can be caused by component or structural failure or an over-pressurisation on either the gas side or the water side of the boiler.

Most auxiliary boilers are of the smoke-tube (also known as fire-tube) type, where hot gases generated from the furnace pass through boiler tubes that are surrounded by water. Therefore the boiler can be considered to have a 'gas side' and a 'water side'.

Gas Side Explosions

Explosions can occur in the boiler furnace and this is more commonly known as furnace blowback. An excess of unburnt fuel accumulates in the furnace and when it finally ignites, the combustion is uncontrollable and a violent explosion can ensue.

There are a number of reasons why this can happen and care should be taken to avoid these circumstances during operation. The most common are:

- Leaking or poorly maintained burner units – either allowing the introduction of excess fuel during operation or allowing fuel to pass through when the unit is shut down.
- From repeated failed attempts to fire the boiler and without sufficient purging between attempts. This could potentially occur when attempting to set up the clearances of the burner ignition electrodes. Most boilers will have an automatic starting sequence which incorporates the minimum safe purge time, but this can be bypassed when operating in manual mode.
- Flame failure safety device not functioning – the boiler will be fitted with a safety device consisting of a 'magic eye' photoelectric sensor, the purpose of which is to sense when the flame in the furnace has been extinguished and then automatically shuts off the fuel supply. If this safety feature is malfunctioning, then fuel may continue to be introduced into the furnace despite there being no ignition.

The aftermath of a boiler explosion.

Care must also be taken when transferring to distillate fuels if the boiler is usually set up to burn heavier fuels, in particular any atomisation requirements. If unsure, seek the boiler manufacturer's advice.

Water Side Explosion

These explosions occur in the event of an over-pressurisation of the water (or steam) or the catastrophic failure of a component such as a boiler tube, tube plate, shell or boiler mounting.

An auxiliary boiler must not be likened to a kettle. It contains several tonnes of water under pressure and therefore contains a significant amount of energy. The water side of the boiler is subject to this pressure as well as thermal stresses. Also, if suddenly exposed to atmospheric conditions, the boiler water will expand to its steam phase at many times its original volume. As well as the damage that can be caused by the explosion, there is a danger of scalding personnel within a considerable distance of the incident.

Common failures that can cause or contribute to an explosion include:

- Failure of the water level control system or low level alarms/shutdown devices, leading to the water falling to dangerous levels and overheating of tubes.
- Operating the boiler in 'manual' mode when no-one is standing by the boiler. When in this mode, some, if not all, shutdowns and alarms may be inhibited.
- Boiler safety valves failing to lift at the required pressure – this can be due to build-up of debris or a seizure of the moving parts and both can be linked to lack of routine testing. Care must also be taken to ensure any gagging devices used during testing are removed before returning to operation.
- Corrosion or wastage of the boiler tubes, tube-plate, shell or boiler mountings – often linked to poor quality boiler water caused by an inadequate testing and treatment regime.
- Oil contamination of the water – the boiler feed water can become contaminated with oil when returning as a condensate from leaking fuel heat exchangers or tank heating coils. The oil coats surfaces within the boiler and adversely affects the heat transfer across the tubes, leading to localised overheating.
- Excessive stresses induced by flashing the boiler from cold at a too rapid rate. The boiler manual should be consulted on the recommended rate of bringing up steam when flashing up from cold.

A properly implemented planned maintenance system, vigilant monitoring of the boiler water and feed water condition (including feed make-up) as well as adherence to safe operating procedures will significantly reduce the risk of a boiler explosion.

CONTAINER WEIGHING AND STUFFING – SHIPPERS ON THE SPOT

Containers which weigh in excess of the declared weight can cause problems once on board. They can contribute to stow collapses, make precise calculation of vessel stability difficult, and have even been linked to the structural failure of container vessels.

In view of the risks, the IMO Maritime Safety Committee (MSC) at its 93rd session (May 2014) approved, for adoption at MSC 94 in November, draft amendments to SOLAS Chapter VI to state that packed containers' gross mass are verified prior to stowage aboard ship. The shipper is responsible for the verification of the gross mass of a container carrying cargo (packed container). They must also ensure that the verified gross mass is clearly listed on the shipping documents far enough in advance of shipping in order that the ship's Master and terminal representative can use them in the preparation of the ship stowage plan.

If the shipper does not provide the verified gross mass of the packed container, the container should not be loaded on board unless the Master or terminal representative have obtained the verified gross mass by other means.

The SOLAS regulations prescribe two methods by which the shipper may obtain the verified gross mass of a packed container which are summarised below:

1) Upon the conclusion of packing and sealing a container, the shipper may weigh, or have arranged that a third party weighs, the packed container.
2) The shipper may weigh all packages and cargo items, including the mass of pallets, dunnage and other packing and securing material to be packed in the container, then add this to the tare mass of the container.

Further information can be found in MSC. 1/ Circ. 1475.

New CTU Code Developed

In addition to problems with weight, problems in relation to poor container stuffing by shippers are commonplace. In order to assist in improving the situation the Working Party on International Transport and Logistics, made up of representatives from the IMO, the International Labour Organisation (ILO) and the United Nations Economic Commission for Europe (UNECE), has developed a new Code of Practice for Packing of Cargo Transport Units (CTU Code). The Code is intended to update International Guidelines relating to the safe packing of containers and provide comprehensive information on all aspects of the loading and securing of cargo in containers.

NO SMOKING

Fires on board cargo vessels can be caused by a variety of factors and these can have very serious consequences for the cargo and for the vessel. One such cause is the negligent discarding of smoking materials within cargo holds. This can of course result in the whole cargo being lost through the fire itself, through smoke damage, or by water introduced in a bid to extinguish the fire. This in turn can lead to the vessel being placed off hire for a significant period of time whilst the consequences of the fire are dealt with.

Whilst the Hague-Visby rules may provide for a fire defence in such circumstances, there is no guarantee that local jurisdictions will adhere to the Hague-Visby rules, nor that this defence will extend to cargo destroyed by water used to extinguish the fire. Further losses may be incurred due to arrest from fines or invoices issued by local authorities whose resources have been employed to assist in extinguishing the fire, cargo disposal and associated costs, as well as expenses for experts, legal proceedings and eventual settlement.

Cargo Areas

'No Smoking' policies vary from ship to ship and are dependent on a number of factors. However, there is no valid circumstance in which smoking should be permitted in the cargo areas of a vessel. It is the Master's responsibility to ensure smoking does not take place in cargo areas and, in the vast majority of cases, ships staff are well aware of, and abide by, the vessel's policy. However, it is not only crew who are obliged to follow such procedures, with vessels regularly being visited by third parties such as surveyors, by the authorities, and by stevedores, many of whom may not understand the potential consequences of discarding smoking materials and who may be unaware of vessel policy.

Signage

One thing that can help is appropriate signage displayed where it can best be seen, such as at the top of the gangway. This assists in getting the 'No Smoking' message across to those accessing the ship and reinforces the message to crew members who may be returning from ashore. Even with signage there is no guarantee that some individuals will not persist in smoking in 'No Smoking' areas.

Enforcing Policy

In these circumstances it is the Master's and the crew's duty to ensure that the vessel's 'No Smoking' policy is enforced. Anyone smoking in an area that has been designated 'No Smoking' should be challenged by a crew member.

Make sure that all crew members are aware of the 'No Smoking' policy and are briefed to challenge those, particularly third parties such as stevedores, who may be found smoking in a cargo area or other 'No Smoking' area. Anyone discovered smoking in contravention of the 'No Smoking' policy, should be reported to the Duty Officer or to the Master.

Ultimately, it remains the responsibility of all on board to maintain vigilance in keeping the vessel safe.

EBOLA

The Ebola outbreak in West Africa is a concern for both Members and crew whose vessels trade to an infected area, or to countries bordering known states affected by the outbreak. A number of states have introduced measures with the purpose of controlling the spread of Ebola. Some of these measures may impact on the normal commercial operations of a vessel.

In this edition we consider two aspects of the outbreak firstly, we look at some simple measures which may be taken on board to help keep crew safe and secondly, on page 8 we consider steps that Members may take to help protect themselves from the potential commercial consequences of the Ebola outbreak.

Ebola – Minimising the Risk

There are basic measures which the Master and the crew onboard vessels can take in order to minimise the risk of contracting the virus.

Symptoms

The first case of Ebola in humans was reported in 1976. The virus spreads to humans by contact with infected blood and mucus and is not thought to be an airborne virus. The incubation period is around 2 – 21 days and symptoms include headache, muscle pains, malaise, diarrhoea and fever. The symptoms are quickly followed by bleeding from every orifice or infected wounds or medical access points. This stage is usually fatal. A Master whose vessel has visited an Ebola area and who suspects a crew member may be infected should seek urgent medical advice immediately.

Isolation

Where it is not possible to disembark crew members exhibiting the above symptoms, it is recommended that they are restricted to their cabin and have little contact with the rest of the crew for at least 21 days. Temperatures should be taken on a daily basis and recorded. Suitable precautionary measures should also be implemented such as the use of rubber gloves, surgical masks etc. until the crew member can be disembarked to a local hospital. Those thought to be infected by the virus but have no symptoms after 21 days are likely to be safe.

Control Measures

The following measures may also assist to reduce the risk of Ebola infection to crew, as well as most other viral infections:

- Owners should ensure that vessels trading to at risk areas are provided with the most up-to-date relevant information on the risks and measures to minimise those risks, and advice for managing a potential exposure to the virus.
- Crew should ensure that they are scrupulous with their hygiene. Ensure that they wash their hands especially after using the toilet – soap and water are still the most effective means of avoiding viruses – also use antibacterial gel.
- All fruit and vegetables should be washed prior to being consumed.
- Avoid, as far as possible, the purchase of fresh food stuffs from infected areas or countries bordering those areas, especially meat.
- Restrict shore leave in infected areas or countries which border infected areas.
- Restrict access to the vessel to the minimum necessary.
- Where crew are disembarked in at risk areas for medical treatment (for any reason), owners should satisfy themselves that the medical facility is well resourced including the use of basic precautionary protective measures such as gloves and masks and is not suspected of reusing un-sterilised medical equipment.
- We would also recommend that until the outbreak is contained, the usual practice of washing dead bodies is suspended. We say this as it is thought that many relatives of infected individuals contract the virus by washing and cleaning the body prior to burial.
- Members should avoid crew changeovers at ports of the infected country.
- Any crew repatriated at the end of their contract should be made aware to report immediately to a local doctor if they experience any of the above symptoms especially if the symptoms occur within 21 days of repatriation.

This article is intended to provide basic precautionary advice only. As the situation and advice received from the various International bodies is updated on an almost daily basis, we would recommend that Members access our Industry News for the latest advice and recommendations.

We are grateful to Dr Charlie Easmon of Your Excellent Health Service for his assistance in drafting this article.
E-mail: Charlie@yourexcellenthealth.co.uk

CALLING ALL COOKS

A well balanced and nutritious diet is an extremely important part of keeping healthy especially for crew on board vessels. Chief cooks play a vital role in keeping everyone on board not only healthy, but happy. In recognition of this, North is inviting chief cooks to submit a healthy and nutritious meal plan for lunch or dinner demonstrating the varied and nutritious food on offer on board vessels.

Please include a list of all ingredients along with preparation instructions. We will try to publish as many of the meal plans as possible in our next edition of *Signals*. A photo of the cooked meal (and the chef!) would be greatly appreciated.

Your entries can be sent to
E-mail: denise.huddleston@nepia.com

LEGAL AND COMMERCIAL ASPECTS OF THE EBOLA OUTBREAK

Concerns surrounding the Ebola outbreak are leading owners to consider whether they are obliged to call at ports in countries affected by Ebola and charterers wondering if owners can lawfully refuse to follow orders to such ports. It is unlikely that existing charterparties will have an Ebola specific clause so we will consider the position under the terms of standard pre-existing charterparty. Obviously each charterparty will have to be considered on a stand alone basis and the information contained in this article should be treated as general guidance only.

Safe Port

Most charterparties contain either express or implied safe port warranties, which put an obligation on charterers to send the vessel to ports that are safe. The classic definition of a "safe port" is that "*a port will not be safe unless, in the relevant period of time, the particular ship can reach it, use it and return from it without, in the absence of some abnormal occurrence, being exposed to danger which cannot be avoided by good navigation and seamanship…*" The focus is usually on the ship but it is arguable that risks to the crew can also render a port unsafe even where there is no risk of damage to the ship herself.

At the time of going to press, there were no recommendations in place by the World Health Organisation (WHO) that trade be restricted at any particular port as a result of the Ebola outbreak. Until this changes, and while it continues to be possible to take preventative measures to avoid the risk to crew, it is unlikely that a port in an Ebola affected country will be considered to be unsafe. However, each case must be assessed on its own facts so it will very much depend upon the charterparty wording and the situation at the time that the relevant voyage order is considered.

Under English law, owners are allowed a reasonable period of time to consider the validity of charterers' orders. Any owner refusing to follow charterers' orders to a particular port will need to be able to justify any such refusal. Contemporaneous evidence will be crucial to assist with any claim which might arise if owners do refuse to follow the order so it will be important to contact the Club if any such situation arises so that we can assist with gathering the necessary evidence.

Position Under Bills of Lading and P&I Cover

If owners refuse to call at a particular discharge port, they could be in breach of their obligations under the bills of lading (if there is no liberty to deviate clause), which could affect their P&I cover. If a port is closed (and the closure is outside of owners' control) then owners will most likely be able to deliver the cargo to a different port but this will depend upon the terms of the particular bill of lading. If the Hague-Visby Rules are incorporated into the bill of lading then there could be a defence to a claim for failing to deliver cargo to the discharge port if delivery is not possible because of a port closure due to an Ebola outbreak.

Stowaways

Delays are likely to be seen to vessels calling at subsequent ports after previously calling at West African ports but such delays will be worse if the vessel has stowaways aboard. Therefore, when calling at West African ports, vessels and the ship security officers should ensure that the ISPS Code and Ships Security Plan are robustly implemented.

Delay and Off-Hire

Where a vessel is delayed due to crew falling ill with suspected Ebola, through the vessel being quarantined, by free pratique being withheld or detention due to the vessel being "dangerously unsafe" (which would most likely happen if sufficient number of the crew contract Ebola), liability for those delays will be determined by the charterparty terms, and the facts of the particular case.

Countries outside Ebola affected areas have already responded to the outbreak and we are seeing closer scrutiny of vessels that have visited Ebola affected countries. An example of other measures put in place includes river pilots in Argentina refusing to board any vessel until 30 days have elapsed since departure from the last port of call in an affected area. The situation is constantly changing so we would recommend that vessels stay in close contact with their local agents or with P&I club correspondents for more up-to-date information.

What Next?

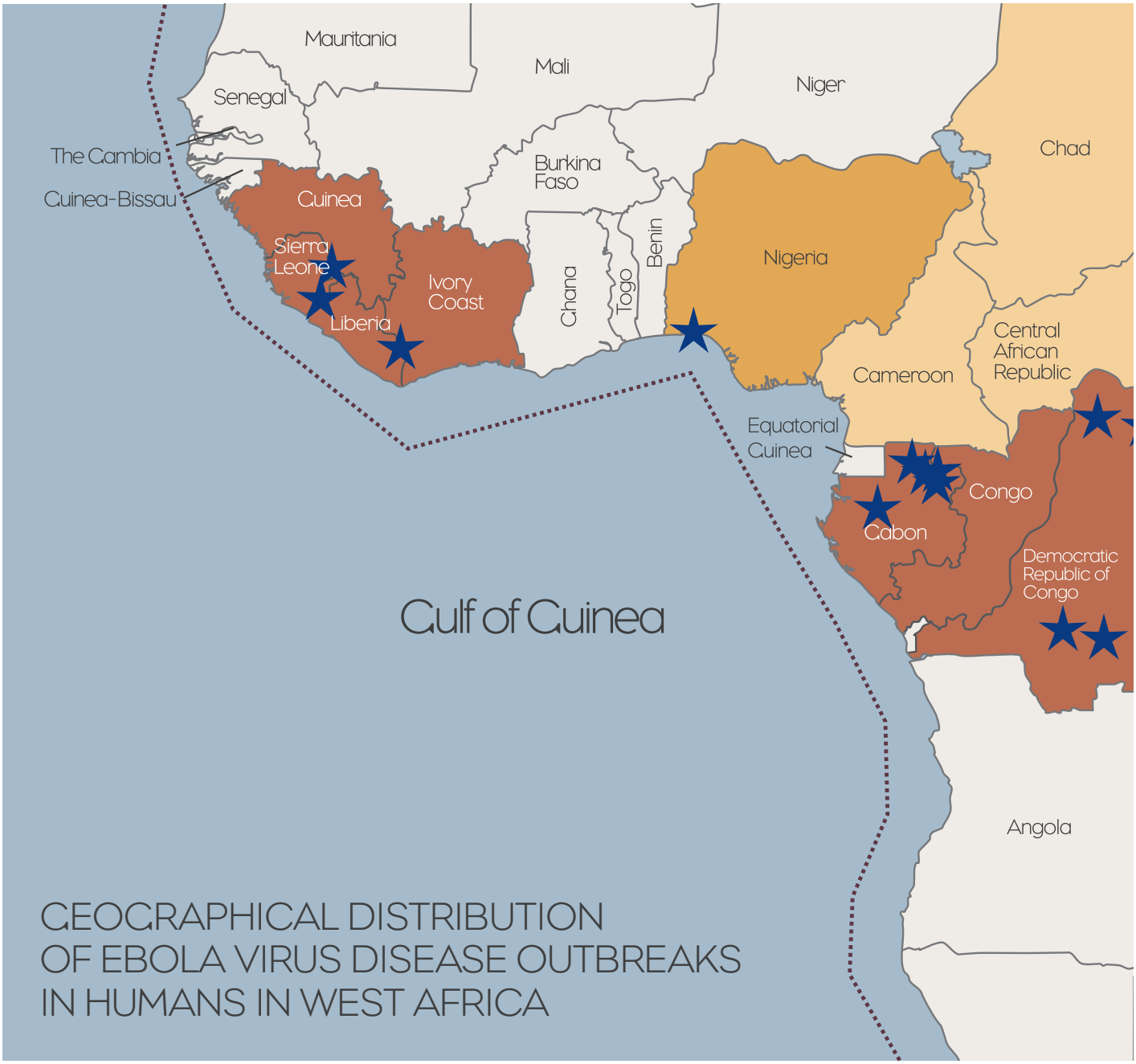
Members trading to or being requested to trade to an Ebola affected area must consider the risks carefully. If entering into a new charterparty there are Ebola specific clauses that can apportion risk between the charterer and owner. The situation is less clear under existing charterparties and Members need to consider their position carefully. If the decision is taken to trade to an affected area Members should develop a plan that takes into account WHO and industry advice and includes guidelines for the vessel to minimise the risk of infection and to deal with potentially infected crew members.

Developing Situation

Due to the developing situation the advice in this edition of *Signals* may have been superseded by the time it is published and for this reason we would recommend that Members continue to monitor the situation closely through North's Industry News and other channels.

North's Industry news contains the latest updates and we continue to monitor the situation to ensure that the most up-to-date advice is available to Members. For the latest information please visit: ***http://www.nepia.com/Ebola***

Members may also wish to use our Ebola information sheet on board which may be downloaded from: ***http://www.nepia.com/Hot-Spots***



Source: World Health Organization

- ★ Location of reported Ebola outbreaks or isolated cases
- ..... Home range of Pteropodidae family of fruit bats
- Country with serological evidence
- Country reported Ebola imported case in human
- Country reported Ebola Virus Disease outbreaks

COMPLYING WITH CHARTERERS' ORDERS: DEVIATION AND SHIPOWNERS LIABILITY COVER

Time charterers will, on occasion, request owners to take a route which may not be the most direct route, or to wait at anchor. Whilst such requests are understandable and to the charterers' commercial advantage, it is important that even if owners wish to accommodate the charterers' request, they still consider whether or not the request will amount to a "deviation" under the Bill of Lading Contract.

Specific advice should be sought but in general, a deviation for charterers' purposes is unlikely to be a "reasonable" deviation and could prejudice a Members' P&I cover. In such circumstances, Members may well be advised to consider purchase of additional shipowners' liability cover ("SOL") which will provide cover for some (but not all) of the potential liabilities for which P&I cover has been lost. SOL cover is charged on a percentage of the cargo value, and owners will wish to recover this cost from charterers.

The question of whether owners can recover this cost from charterers under an NYPE charterparty arose in a recent case handled by the Club.

Charterers had not been paid freight and asked the owners to wait outside port limits whilst the issue of non-payment was resolved. The owners agreed and, assuming that charterers would indemnify them the costs of doing so, took out SOL cover.

The charterers, however, declined to reimburse the cost of the SOL cover and the owners were unable to point to any specific provision in the charterparty that entitled them to recover this cost. A London Arbitrator decided that whilst the charterers would have been obliged to indemnify owners for any consequences of complying with their orders, the owners were not entitled to recover the cost of insuring these risks themselves by taking out SOL cover. As the Arbitrator put it: *"If owners want to double up with both belt (indemnity) and braces (SOL insurance), they have to bear the additional cost of the latter".*

In view of this decision owners should consider including a specific provision in charterparties which makes it clear that the cost of SOL cover required as a result of Charterers Orders should be for charterers' account.

If it is not possible to include a specific clause (and although reimbursement of SOL is not specifically dealt with in it), when BIMCO's Liberty and Deviation Clause (2010) is included in the charterparty it is possible for an owner to recover SOL premium if he makes his position clear when agreeing to follow Charterers instructions. The clause provides that:

"… (b) If the charterer requests any deviation for the charterer's purposes and the owners consent, such consent to be at the absolute discretion of the owners, the charterer shall indemnify the owners against any and all claims whatsoever brought by the owners of the cargo and/or the holders of bills of lading against the owners by reason of such deviation."

Owners are therefore at liberty to make their consent conditional on charterers agreeing to reimburse owners the cost of SOL cover.

A copy of the clause and BIMCO Explanatory Notes can be found by following the link: ***https://www.bimco.org/Chartering/Clauses/Liberty_and_Deviation_Clause_for_Contracts_of_Carriage.aspx***

INTERCLUB AGREEMENT – IS YOUR CHARTERPARTY UP-TO-DATE?

The Club has recently dealt with cases where the Inter Club Agreement 1984 (ICA 84) has been incorporated into charterparties despite the existence of more recent versions of the ICA (the most recent version being the 1996 version (the "ICA 96") as amended in 2011 (the "ICA 96/11")). Members are therefore reminded that there are a number of differences between the ICA 84, the ICA 96 and the ICA 96/11 which may affect their right to indemnity or contribution.

Time Bars and Notification Requirements

In the *Genius Star 1* the English courts decided that where the two year period for bringing an indemnity/contribution claim under the ICA 96 and another charterparty time bar provision conflicted, Paragraph 2 of the ICA 96 resolves the conflict in favour of the two year time limit.

However, where the ICA 84 applies, the situation is different as there is no equivalent wording to Paragraph 2 of the ICA 96 in the ICA 84. In an unreported case (the *Mary Elle*), in the absence of the words contained in Paragraph 2 of the ICA 96, the three month time bar for claims between owners and charterers contained in the Centrocon Arbitration Clause prevailed over the two year time limit in the ICA 84.

Additionally, the ICA 84 requirement that a claim notification must *"record bill of lading details and the nature and amount of the claim"* is more stringent than later versions of the ICA.

Recovery of Costs

It is also worth being aware that in the ICA 1984, *"legal costs"* means only the legal costs of the third party cargo claimant. It does not cover the costs of defending those third party claims, in contrast to ICA 96.

Ability to Seek Counter-Security Under ICA 96/11

Members should also recall that in contrast to the ICA 84, under the ICA 96/11, they are entitled to counter-security from their contractual counter-parties if they have put up security for a cargo claim.

Members should therefore check that charterparties which they are entering into incorporate the ICA 96/11.

IMO UPDATE AUGUST 2014

Draft New SOLAS Chapter Approved

The IMO Maritime Safety Committee (MSC), during its ninety-third session, approved a draft new Chapter XIV "Safety Measures for Ships Operating in Polar Waters" to the International Convention for the Safety of Life at Sea (SOLAS).

This Chapter will make certain parts of the International Code for Ships Operating in Polar Waters (Polar Code) mandatory and is expected to be adopted by the MSC during their next session in November 2014. The mandatory sections of the Code will cover measures relating to safety (Part I-A) and pollution prevention (Part II-A).

The IMO Marine Environment Protection Committee (MEPC) is expected to further consider the environmental sections of the Code during their forthcoming session in October 2014.

The Polar Code will cover all matters relating to the design, construction, equipment, operation, training, search and rescue and environmental protection matters relevant to ships operating in the inhospitable waters surrounding both poles.

Amendments to the IGC Code

The MSC, during its ninety-third session, has approved amendments to the International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code).

The complete text of the existing IGC Code has been updated and is replaced by MSC.370(93), these amendments are due to enter into force on 1 January 2016.

The Code deals with all aspects of the design, construction standards and equipment fitted to ships carrying liquefied gases in bulk and is intended to ensure that the risks to ship, its crew and the environment are minimised.

New CTU Code Developed

The Working Party on Intermodal Transport and Logistics, made up of representatives from the IMO, the International Labour Organisation (ILO) and the United Nations Economic Commission for Europe (UNECE), has developed a new Code of Practice for Packing of Cargo Transport Units (CTU Code).

The Code is intended to update existing international guidelines relating to the safe packing of containers and provide comprehensive information on all aspects of the loading and securing of cargo in containers. The Code not only covers the loading and securing stages but also looks at the planning stages, steps to be followed on completion of packing, unpacking, details of the different types and classes of CTU and their suitability for the intended cargo.

As every stage of the supply chain is addressed by the Code, it is intended that it be used to assist in the training of personnel involved in the industry ultimately reducing the number of accidents and incidents involving containerised cargo.

NICKEL ORE

Members will recall that the Club has implemented a mandatory notification requirement where Members are intending to load a nickel ore cargo, a cargo which may liquefy, from ports in Indonesia and the Philippines. A Circular was issued in this respect on 1 June 2012 (Ref: 2012/023 – dangers of Carrying Nickel Ore from Indonesia and the Philippines – Mandatory Notification Requirements).

A ban is currently in force on the export of nickel ore from Indonesia. It is believed that the ban is likely to remain in force following the recent election of a new President in Indonesia who supports the ban. Nickel ore continues to be exported from the Philippines.

A copy of North's Circular can be viewed at *http://www.nepia.com/publications/clubcirculars/pandicargo/1259/*

SOFT SKILLS POSTER – TEAMWORK

Included in this issue of *Signals* is the latest in North's Soft Skills poster series. Entitled *Teamwork* the poster focuses on the importance of teamwork in contributing towards safe working practices on board and in ensuring tasks can be successfully completed without personal injury or damage to equipment.

Further Information

Soft Skills – Teamwork *can be viewed or downloaded from the Club's website:* ***www.nepia.com/lp-posters***

A copy of Soft Skills – Teamwork *is also enclosed with this issue of* Signals *for all appropriate entered vessels.*

COLLISION CASE STUDY

Introduction

North's loss prevention guide *Collisions: How to Avoid Them* includes a series of collision case studies intended to generate discussion about the International Regulations for preventing Collisions at Sea (COLREGs). Further case studies are published in *Signals* from time to time and here is the latest of them. Each case study is set out as simply as possible, with the minimum information necessary to describe the developing situation. The case studies ask a number of questions but answers are not provided. The case studies are intended to promote wide-ranging discussions about collision avoidance.

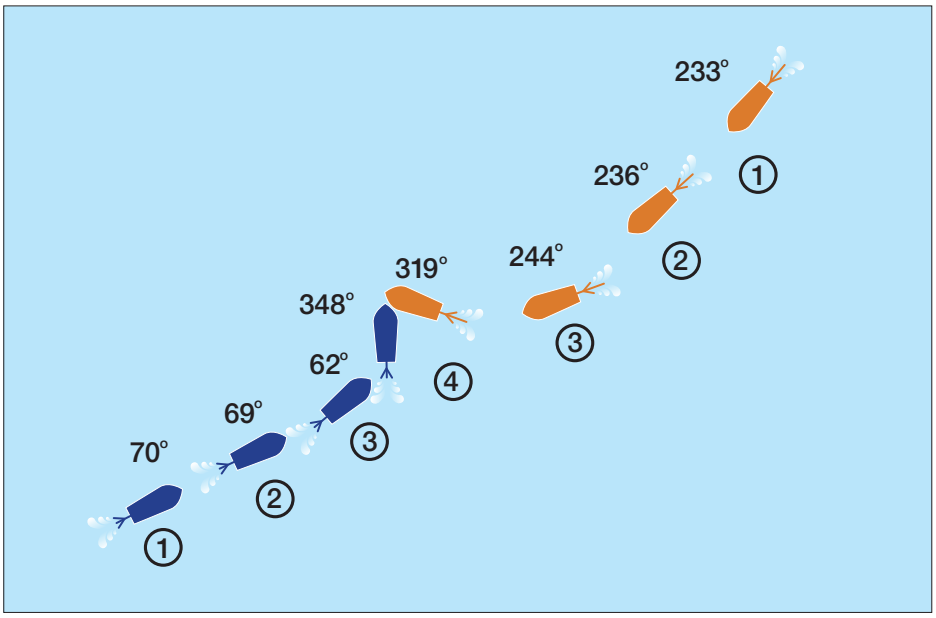
Scenario

Two ships are closing in open waters at a combined speed of 38 knots. Visibility is good and there is no other shipping in the vicinity.

Questions

At positions '1', '2' and '3':

1. Which ship is the 'Stand on' vessel?
2. What action should each ship have taken?



Further Information

North's loss prevention guide entitled *Collisions: How to avoid them* can be viewed on its website: ***www.nepia.com/lpguides***

Your Copy of *Signals*

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

- Soft Skills Poster – Teamwork

Disclaimer

NORTH
SERVICE, STRENGTH, QUALITY

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