

INTERCARGO

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INTERCARGO 2001 Diary

January	
4	INTERCARGO Informal Drinks Party 12.30-14.30
11	IACS Working Party
12	Commercial Committee (London)
19-22	INTERCARGO Management Committee, Executive Committee and Commercial Panel Meetings in Thailand
February	
14	Seatrade Awards Judging Panel
22-23	Lloyd's List Dry Bulk Conference (London)
March	
Tbc	London Committee
19-21	Connecticut Maritime Association Conference and Exhibition – Chairman, Secretary-General and Manager to attend.
April	
11	Intersecretariat Liaison (London)
May	
Tbc	Excomm, Rome
Tbc	Intercargo China Workshop – Beijing
7-8	Indian National Shipowners Conference (London)
31	Marine Environmental Symposium (Virginia)
June	
1	Marine Environmental Symposium (Virginia)
October	
11	London Committee

SAFETY, ENVIRONMENTAL AND TECHNICAL MATTERS

Casualty report – failure in the automation system

Through the kind attention of Intercargo Associate Member Det Norske Veritas, information has been supplied regarding the unintended sudden stop of the main engine of a 30-40000 grt bulk carrier causing it to run ashore.

The main engine appeared to stop without any pre-warning alarm due to low lubrication oil pressure following activation of the safety system (“shut down”).

The low lubrication oil pressure alarm should normally have been activated before the automatic shut down of the engine but it was activated at the same time as the shut down because of an incorrect setting. Clogged filters (dirty oil) most probably caused the low oil pressure. High lubrication oil temperature in combination with a partly clogged oil cooler may also have contributed to reduce the lubrication oil pressure.

Automatic start of a stand-by pump could have prevented the oil pressure dropping below the shut down limit, but the pump had been switched to manual start instead of being set in stand-by mode.

Lessons to be learnt

Planned maintenance and systematic, frequent testing of automatic systems with their alarm and safety functions are essential for safe operation, especially with regard to: -

- Sequence of the alarms, start of stand-by pumps, engine auto-stop and their related correct settings;
- Testing / maintenance of the alarms / auto-starts / auto-stops;
- Regular cleaning of lubrication oil filters; and
- Proper working of the lubrication oil purifier(s).

Intercargo Port State Control - A Guide for Ships involved in the Dry Bulk Trades

A guide on port state control matters has now been published. It is available on the web site for members to download and a hard copy is included with this bulletin for Members.

Supported by flow charts and checklists, the guide describes port state control practice as it stands today. Advice directed specifically at bulk carrier operators is also given on how to manage inspections and on what to do when things go wrong.

Included in the guide and enclosed with this bulletin, is an *Inspection Reporting Form* for ships to use to report their experiences of poor port state control performance / practice on the part of the Port State Control Officer. The form is available on the web site for downloading and direct electronic data entry.

Intercargo intends producing an annual report to update members on regional port state control practice, where variations exist, and to provide an analysis of experiences of members, as reported.

COMMERCIAL MATTERS

Grain

The International Grains Council and the Food Aid Committee met in London during the first week of December.

It was reported at the meeting that the world production of both wheat and coarse grains in 2000 had again decreased. For 2001, the trade in grains is forecast at around 105 million tonnes each for wheat and coarse grains – close to last years levels, although with a proviso that climatic and legislative factors may create distortions in regional supply. Food aid provided under the Food Aid Convention during 2000/01 is expected to be at 1999/2000 levels.

Coal – European Commission strategy on energy supply

In a Green Paper issued in early December, the E.C analysed future energy requirements noting that without measures to influence both supply and demand, 70% of energy requirements will be imported compared with the current total of 50%. Measures will be pursued to ensure the uninterrupted security of supply at an economic price and with reference to environmental concerns.

The Green Paper notes that current EU energy demand is covered as follows

	Current %	Expected 2030
Oil	41	38
Gas	22	29
Coal	16	19
Other (incl. Nuclear)	21	14

The report notes that production costs of European coal are some 3 to 4 times the cost of coal imported from the US, Australia, South Africa or Columbia. The EU currently imports more than 50% of the coal it uses and although the overall quantum has been in decline as power generators switch to alternative methods of energy, the percentage of imported coal by 2020 will rise to 70%+ of total demand. The report notes that the international coal industry can be described as providing a “stable economical and physical supply”. Sadly, the report fails to mention the role of shipping in ensuring the availability of secure supplies for the EU.

EU/Korea Shipbuilding Talks

Mr S.D Lee, Director of the Korean Shipbuilders’ Association has written to Intercargo to enclose a position paper stating their perception of a complaint made against them by the Committee of the European Union Shipbuilders Association.

If you would like a copy of this position paper, which has been widely reported in the Shipping Press, please contact the Intercargo Secretariat.

IMO NEWS

The Intercargo representative to IMO has provided the following Committee reports

Marine Environment Protection Committee MEPC 45

The following issues were discussed:

TBT / Anti-fouling paints

The application of all organotin (TBT) compounds in antifouling systems will be banned from 1 January 2003 and prohibited completely from 1 January 2008 (the decision as to what will happen to residual coatings after 2008 has been deferred to an IMO Diplomatic Conference scheduled for October 2001). The TBT ban will impact on all ships flying the flag of parties to the Convention in addition to foreign ships calling at their ports and terminals with port state control officers permitted to take a sample of a ship’s anti-fouling paint for test.

Looking to the future, the Convention provides a mechanism whereby chemicals other than those TBT compounds listed could be similarly banned if deemed harmful to the environment. The process for considering a ban has been defined but there is no provision for listing approved systems. This will make the long-term use of anti-fouling paints somewhat uncertain and unpredictable.

Ballast Water Management

A two-tiered approach to international regulation has been agreed and another Diplomatic Conference will be called during 2002 - 2003 to adopt the legal instrument. Tier one would require all ships to meet certain base line requirements for ballast water management at all times throughout the world; and tier two would enable ballast water control areas to be designated by contracting States where additional measures were required.

Condition Assessment Scheme

Certain oil tankers will, once the scheme has been discussed in January, be required to implement a CA scheme which will be wider than the Enhanced Survey Programme. Factors will include past performance and flag state involvement but bulk carriers will not at this stage be affected.

Enhanced Survey Programme

Resolution A.744 (18) on "Guidelines on the Enhanced Programme of Inspections during Surveys of Bulk Carriers and Oil Tankers" will be reviewed. Changes suggested include requiring survey reports to be more specific as to what is covered; the use of standard terminology; safeguards when the survey is split between different ports; better planning; and proper supervision when structural thickness is measured.

Facilitation Committee (FAL 28)

The following issues were discussed:

In general, the Committee is concerned with reducing excessive documentation required by customs, immigration, health and other public authorities. More recently it has been given oversight of ship/port interface matters which entails co-ordinating the different interests involved in safety and the environment in the vicinity of ports.

It is believed that many bulk terminals are unaware of the duties and obligations imposed upon them (or on the master) by the SOLAS Convention. Accordingly the Committee issued a circular drawing attention to the need for terminals to agree to a loading and unloading plan. The circular also points out that if specified limits placed upon the structure of the ship are exceeded, the master has the authority to suspend operations and to appeal to the authority of the port state with which the plan is lodged. To reinforce this initiative, a loading and unloading manual for terminal operators is to be developed in conjunction with the Sub-Committee on Dangerous Goods, Solid Cargoes and Containers (DSC) to complement the BLU Code.

A circular listing all the certificates to be carried on board ship has recently been issued and against which the table of certificates and documents to be carried by bulk carriers in the new Port State Control Guide was based.

MEMBERSHIP ACTIVITY**Asia Technical Seminars**

The last issue of the Bulletin referred to a programme of technical seminars being held in Asia for members. These seminars have now taken place.

In Hong Kong, the seminar was organised and hosted by COSCO (HK) Shipping. In Beijing, China Classification Society supported by COSCO Bulk Carriers, organised and hosted the seminar, with a second seminar held at the offices of Cosbulk in Tianjin. The Tokyo seminar was jointly organised by Mitsui O.S.K. Lines and NYK Line, at whose offices the seminar was held with additional visits made to the offices of ClassNK and the Tokyo MOU Secretariat. In Seoul, the Korean seminar was jointly organised by the Korea Shipowners' Association and the Korean Register of Shipping with the local support of Man Chang Shipping. The Malaysia International Shipping Corporation organised and hosted the seminar in Kuala Lumpur, as did IMC Shipping in Singapore. Papers from the Hong Kong office of ClassNK, the North East Asia Region office of Lloyd's Register, the Marine Department of Malaysia and the Maritime and Port Authority of Singapore were also presented.

The main aim of the seminars was to meet and listen to members with a view to identifying the major technical issues faced by, and of concern to Asian bulk carrier owner / operators. The seminars also provided an opportunity to introduce to members the documents *Bulk Carrier Terminal Report* and *Port State Control - A Guide for Ships involved in the Dry Bulk Trades* and the associated *Terminal and Inspection Reporting Forms* (see elsewhere in this Bulletin).

The findings of the seminars are due to be discussed at the next meeting of the Executive Committee and a report will follow.

It is planned to hold similar technical seminars in Europe during 2001.

Intercargo Bulk Carrier Terminal Reporting Forms

A report analysing the one thousand plus replies received from members over the last five years was enclosed with the last edition of the edition and is also available on the website for members to download.

A revised *Bulk Carrier Terminal Reporting Form* has now been issued for members to use and is attached to this Bulletin. The form can also be accessed from the web site where it can be downloaded and the form returned by fax or mail. A facility also exists to directly enter data on the form while connected to the web site and for it to be returned to Intercargo electronically.

Members are encouraged to submit reports on all terminal visits, reporting on good and well as bad ship/shore terminal experiences. It would therefore be helpful if you could bring this form to the attention of your Commercial Departments and ships.

Intercargo hopes to be in a position to publish annual reports and identify those terminals where reports of poor practice and unsafe procedures are received. If this aim is to be achieved, your support in completing and returning forms is vital.

Membership visit – Denmark (November 2000)

In early November, the Secretary-General visited a number of members and potential members in and around the Copenhagen area. A number of issues were raised in these general discussions including: -

- The Mississippi Exclusive Towage contracts, where further information is being gathered in support of the

submission made during October on behalf of Intercargo members;

- The Letter of Indemnity issue which will be considered at the Intercargo Commercial Panel meeting in January; and
- Arbitration and mediation where it was considered that mediation would have to be fully supported by the P&I Clubs if it were to become a popular alternative to arbitration or the courts.

Informal Drinks Party: Thursday 4 January

As a means of bringing together locally based members or representatives of Intercargo members, the Secretariat is hosting a small and very informal drinks party in the Intercargo offices at lunchtime on Thursday 4 January. Please feel free to join us on that day – any time between 1230 and 1430.

We look forward to meeting as many of you as possible.

New Intercargo Members

A warm welcome is extended to the following new members: -

Gulfship Agencies (Malaysia)
Island Navigation (Hong Kong) and
Sul America Maritima E Fornecedora Ltda
(Brazil)

INTERCARGO COMMITTEE ACTIVITY

London Committee

The London Committee met on 12 October when the following issues were discussed: -

1. ISM Code – agreed to consider in greater depth, the concept of a single, focused and rationalised approach to inspections and surveys;
2. Environmental impact of dry bulk shipping where the possible public perception of dry bulk shipping was analysed;
3. The relationship between ship and shore where it was agreed to support the IMO Bulk Loading and Unloading (BLU) Code; and
4. A balancing of charterer and shipowner charterparty interests

Asian Panel

Met in Cheju, Korea on 14 October. The issues discussed included: -

1. An Intercargo strategy based on members with high quality, safe and efficient operations, together with enhanced engagement of owners on commercial and technical issues; re-engineering of the regulatory process and public relations;
2. Ensuring that charterers and others in the trade and transport chain used and paid for quality vessels;
3. E-commerce – to be discussed at the next Excomm and
4. The need for improved crew training in bulk carriers.

Newbuilding Committee

Met in Cheju, Korea on 15 October. The issues discussed included: -

1. Supply and demand of newbuilding capacity. Further work will be undertaken in this area.

2. Possible future shipyard design co-operation to take into account quality, safety (IMO, labour unions and port state control) and environmental aspects.

European Panel

Met in London on 18 October. The issues discussed included many issues discussed at the Asia Panel (see above): -

1. Enhancement of the Intercargo website and a re-emphasis on e-mail and the website as the main method of communicating information;
2. USCG – Intercargo / USCG Partnership agreement and other mutually beneficial initiatives based on the high quality of Intercargo member's vessels;
3. Letters of Indemnity which place a considerable degree of risk on the owner. Further information will be given on the Bolero initiative after the next Excomm in January.

OPERATIONAL MATTERS

Panama Canal booking arrangements amended

Members are advised that new tie-breaker criteria will assign slots to ships competing for reserved transits when reservations exceed the number of available slots.

The ETA SHIP DUE form has been amended and may be downloaded from the Panama Canal Commission website www.pancanal.com from Maritime Operations / Current Forms. The revised form now includes a customer code box. Ship agents must ensure that all customer codes are included in ETA messages as discrepancies between the customer code reported in the ETA message and the one reported in the Booking Request will invalidate the booking request. Agents tempted to provide unauthorised codes may be subject to fines ranging from USD 100 to USD 10,000.

Dust problems / re-painting

We have been asked by an independent consultant whether we have ever heard of circumstances where the loading of pig-iron has caused paintwork problems after only one or two loading /discharging operations. Any member wishing to pass on such information is invited to contact Mr. Peter Roberts at London Offshore Consultants: Tel: +44 20 7283 5544

EXTERNAL REPRESENTATION

IACS

Intercargo and other industry partners met with members of the IACS Council on 6 December to continue discussions on Class related matters. In particular, the meeting addressed such issues as: The Role and Governance of IACS, Transparency of Information and the Enhanced Safety of vessels in Class. A further meeting will take place on 11th January 2001 where in depth discussions will focus on Transparency and efforts will be made to clarify what is acceptable to Class.

Inter-industry Shipping and Ports Contact Group

Intercargo was represented at this meeting organised by the International Chamber of Shipping and the International Association of Ports and Harbours (IAPH) on 10 November. The objective was to permit informal discussion by non-Governmental Organisations prior to future IMO meetings with items discussed including :-

1. Agreement to better publicise the IMO BLU Code around the international ports and terminals community;
2. Concern about the possibility of dual reporting systems, namely formal paper / electronic versions and an AIS; and
3. Concern was flagged about the entry of environmental activists into port areas.

INTERCARGO WEBSITE NEWS

Recent additions to the website

A reminder that the "News" section of the website (www.intercargo.org) is now more frequently updated than has been the case in the past. The following items have been added in the last three weeks :

- IACS and Class Issues
- Coal : EU Energy Strategy
- Voyage Data Recorders – IMO developments
- Success for Asia Technical & Regulatory Seminars
- E Commerce and the Bulk Shipping sector
- "Derbyshire" report published

Please continue to check the website for up-to-date news on important issues such as the Mississippi Exclusive Towage contract and US Coast Guard developments.

Request for feedback – willingness to receive future Bulletins by e-mail

At the recent Asian and European Panel meetings, members considered the role and effectiveness of the Intercargo website and the Bulletin.

Agreement was reached that resources should be diverted into the development of the Intercargo website – for example, a member's only chat room. It was considered that wherever possible, future editions of the Bulletin should be transmitted by e-mail to improve the speed of receipt and a reduction in costs.

Please could you therefore supply the following information :-

1. Do you have any objection to receiving e-mail only versions of the Bulletin ?
2. If not, could you please e-mail the undersigned with :-

- a) The name and e mail address of the person to whom you wish the e mail version of the Bulletin to be sent in future; and / or
- b) The name and e mail address of the Commercial Director or similar within your organisation responsible for commercial issues who may wish to receive the e mail version of the Bulletin (if different from a) above); and / or
- c) The name and e mail address of the Technical Director or similar within your organisation responsible for technical issues who may wish to receive the e mail version of the Bulletin (if different from a) above)

Your assistance in providing this information is appreciated. Please e-mail :
rob.lomas@intercargo.org

CONFERENCES, SEMINARS AND EXHIBITIONS

Endorsement by *INTERCARGO* of any of the conferences mentioned should not be automatically assumed.

23-24 January 2001 – Time and Voyage Charterparties Seminar, / 25-26 January 2001- International Voyage Charterparties Seminar, London

Both arranged by Lloyds Maritime Training Programme
£850 plus VAT each or £1499 plus VAT combined.
Further information from : Aimee Beeston
- +44 (0) 1932 893 861

22-23 February 2001 – European Dry Bulk Shipping, London

- Intercargo has agreed to support this conference which will otherwise be

commercially organised by Lloyd's List / Informa Group. The conference will address a number of issues of concern to the bulk industry with full details contained in the leaflet included in this mailing.

- Please note that Intercargo members wishing to attend this seminar have been offered a substantial discount amounting to some 25% of the published price. Please remember to quote that you are an Intercargo member if you wish to make a booking with Lloyd's List / Informa.
- You may care to note that scope exists for an Intercargo member to sponsor a cocktail party on the evening of 22 February. For further information on what this entails, please contact
rob.lomas@intercargo.org

26-29 June 2001 – International Shipping Technology and Equipment Exhibition, Tianjin

ISTEE will be jointly organised by Intercargo Associate Member, China Classification Society together with the China Association of the Shipbuilding Trade and the China's Association of Foreign Trade and Economic Cooperation Enterprises. Further details will be announced in due course.

Finally,

The Secretariat wishes all the members the compliments of the Season and wishing you all a prosperous New Year.

Kind regards,

Roger Holt,

Secretary General