

### FEATURE

## LOF Update

After a positive start in the first quarter of 2016, with 17 LOF salvage Contracts being reported to Lloyd's Salvage Arbitration Branch, the second quarter of 2016 has been somewhat quieter with only 5 contracts being reported. Under the LOF contract (2011 version) salvors are required to notify Lloyd's within 14 days of their appointment to provide salvage services so it may be that there are some unreported case. It is nevertheless a concern that the use of the LOF Salvage Contract continues to decline. Of course the decline can in part be due to the fact that the vessels are generally safer these days, most are younger and better maintained and they have better equipment but perhaps most notable of all, they have considerably better communications. The latter enables a full assessment of a casualty situation to be undertaken to assess whether it is appropriate to sign a salvage contract. The LOF contract is designed for emergency situations and should be used appropriately.

It is notable that the LOF contracts for this quarter all relate to groundings. It would be difficult to argue against the signing of an LOF contract in these circumstances, despite the fact that all too often these days there is a third party waiting in the wings and who may be willing to assist on commercial or other negotiated terms. However the complaints we hear most relate to mechanical breakdowns, where a 'simple' tow is required and the vessel is not facing any threat from grounding, collision or weather, where an LOF has been agreed. The concern surrounding these cases is particularly acute where the resulting services are sub-contracted to third parties and do not directly involve the

LOF salvor save for perhaps the odd use of the telephone! The commercial costs of such operations are often very significantly less than the resulting LOF salvage awards despite the fact that there was no threat to the property. It is arguably these cases that feed the element of fear that is present when parties are considering the merits of signing an LOF contract.

Concern is even being voiced amongst some salvors who fear that that the LOF contract is in some circumstances being used inappropriately. Does a simple breakdown require an LOF to be agreed? Is this an emergency situation which is worthy of the LOF? Appropriate use is key. We are aware that the International Salvage Union (ISU) is taking industry reputation very seriously, encouraging a more ethical approach for certain casualty situations. They accept that there are other commercial ways of doing salvage where speed of response is not an important factor. However for emergency response the ISU consider LOF is still the best way to encourage commercial salvors to save life, protect the environment and save valuable property. The fact that the LOF cases this month are more representative of a true salvage (emergency) situation can only be considered a good thing.

Date	Vessel	Salvor
27/4/2016	Nova Cura	Smit Salvage BV
19/5/2016	Siteam Anja	T&T Salvage LLC
23/5/2016	Fong Seong 666	Marshall Islands Salvage & Towage Co
2/6/2016	Johannes Wulff	T&T Salvage and Raul Negro Cia SA
17/6/2016	Benita	Five Oceans Salvage SA

Siteam Anja



### NEW CASUALTIES

#### Guo Yu Jiu Hao

Bulk carrier, IMO 9024138, Built 2005, 8,300 dwt

**Date of Casualty** 26 June 2016 - Late notification

**Voyage** Nanjing to Xiang Shan, China

**Cargo** No details

**Type of Casualty** Grounded at Ma'anshan and suffered a breach in her hull. The cargo was transhipped to bulk carrier *Wan Huo Shan 669*.

**Type of Claim** Hull damage, possible salvage claim and General Average declaration

#### Juan Yun 1

General cargo vessel, No other details

**Date of Casualty** 28 June 2016 - Late Notification

**Voyage** No details

**Cargo** 3700 m<sup>3</sup> of sand

**Type of Casualty** Capsized and sank on the Yangtze river. Two crew members are missing.

**Type of Claim** Total loss and loss of life claims



#### Qing

Passenger cruise vessel, IMO 7902295, Built 1982, 4,514 dwt

**Date of Casualty** 29 June 2016

**Type of Casualty** Suffered water ingress and began listing whilst at the Western India Shipyard, Mormugao, Goa. The *Qing* is reported to have 350 m<sup>3</sup> of oil on board and some is reported to be leaking. Smit Salvage have been appointed to salvaged the vessel.

**Type of Claim** Salvage/wreck removal claim

**P&I** Standard Club



#### Patcharawadee 12

LPG carrier, IMO 7913854, Built 1979, 1,737 dwt

**Date of Casualty** 29 June 2016

**Voyage** Bangkok to Map Ta Phut, Thailand

**Cargo** In ballast

**Type of Casualty** The vessel, departing Bang Pakong having discharged its cargo, suffered an explosion during tank cleaning and caught fire. Four crew members were severely injured.

**Type of Claim** Damage and crew claims

#### Artemis S

General cargo with container capacity, IMO 7104336, Built 1971, 2,039 dwt

**Date of Casualty** 29 June 29016

**Voyage** Volos to Lemnos, Greece

**Cargo** Aggregates

**Type of Casualty** Ran aground off Lemnos. The vessel was refloated on 30 June and docked at Moudros.

**Type of Claim** Possible hull damage, salvage claim and/or General Average declaration.

**P&I** Lodestar Marine



#### Chem Venus

Chemical tanker, IMO 9324215, Built 2004, 19,887 dwt

**Date of Casualty** 29 June 2016

**Voyage** Portsmouth, USA to Teesport, UK

**Cargo** Vegetable oil

**Type of Casualty** The vessel touched its bottom near the mouth of the Piscataqua River, Portsmouth, suffered water ingress and a loss of stability and subsequently collided with three unmanned yachts. The vessel was being towed by local tugs at the time.

**Type of Claim** Hull damage and collision claims

**P&I** Gard

#### Ionic Halo/Widor

*Ionic Halo* - Bulk carrier, IMO 9595369, Built 2012, 34,039 dwt

*Widor* - General cargo vessel, IMO 9528483, Built 2009, 3,450 dwt

**Date of Casualty** 29 June 2016

**Voyage** Brake, Germany to Riga, Latvia / Brake, Germany to Fredericia, Denmark

**Cargo** No details

**Type of Casualty** During unmooring operations the *Widor* struck the moored *Ionic Halo*.

**Type of Claim** Collision damage claim

**P&I** Britannia / Unknown



#### Bengal Spirit 1/Partex 3

*Bengal Spirit 1* - Tanker, No other details

*Partex 3* - Product tanker, IMO 9741956, Built 2015, 1,682 dwt

**Date of Casualty** 30 June 2016

**Voyage** to Chittagong, Bangladesh

**Cargo** Oil products

**Type of Casualty** In collision at the outer Chittagong anchorage. The

Further casualties overleaf

# Roose + Partners

## NEW CASUALTIES - Continued - edition (171)

*Bengal Spirit 1* suffered a breach in her portside in one of her cargo tankers and 80 m<sup>3</sup> of cargo was lost.

**Type of Claim** Collision damage and cargo loss.

### Dorado

Bulk carrier, IMO 9594614, Built 2013, 56,507 dwt

**Date of Casualty** 30 June 2016

**Voyage** San Lorenzo, Argentina to Algeria

**Cargo** 40,106 m<sup>3</sup> of maize

**Type of Casualty** Ran aground on the Parana River. T&T Salvage have been contracted to refloat the vessel.

**Type of Claim** Possible salvage claim and/or General Average declaration

**P&I** London Club



### Potomac

Tug, No other details

**Date of Casualty** 30 June 2016

**Type of Casualty** Sank on the Hudson River. The vessel was dewatered and moored to a barge.

**Type of Claim** Salvage claim



### Black Watch

Passenger vessel, IMO 7108930, Built 1972, 5,656 dwt

**Date of Casualty** 1 July 2016

**Type of Casualty** Suffered an engine room fire whilst en route from Funchal to

Madeira. The vessel was operating on emergency power only. She continued to Madeira and the cruise was cancelled. Passengers will be offered a full refund, 50% off a future cruise and their out of pocket expenses.

**Type of Claim** Fire damage claim

**P&I** Skuld



### Anastasia

General cargo vessel with container capacity, IMO 8417546, Built 1984, 1,735 dwt

**Date of Casualty** 2 July 2016

**Voyage** Euboea Island to Thessaloniki, Greece

**Cargo** In ballast

**Type of Casualty** Ran aground on rocky shallows at the eastern coast of Stroggiil Island near the eastern tip of Euboea. The vessel, which was refloated by tugs, suffered a breach in her hull.

**Type of Claim** Hull damage and possible salvage claim



### Hekla

General cargo vessel with container capacity, IMO 9356505, Built 2008, 3,592 dwt

**Date of Casualty** 2 July 2016

**Voyage** Gdansk, Poland to Bremen, Germany

**Cargo** No details

**Type of Casualty** Ran aground on the Kiel Canal in Sehested area. The vessel was refloated with tug assistance.

**Type of Claim** Possible General Average declaration



### Maersk Shams

Fully cellular containership, IMO 9726669, Built 2015, 117,175 dwt

**Date of Casualty** 5 July 2016

**Voyage** Algeciras, Spain to Suez, Egypt

**Cargo** General containerised cargo

**Type of Casualty** Grounded on the Suez Canal. The vessel was refloated by Suez Canal tugs and was brought to an anchorage at Suez.

**Type of Claim** General Average declaration with GA Absorption clause likely to apply

**P&I** UK Club

### Magnolia

Self-propelled barge, 2,130 ts

**Date of Casualty** 4 July 2016

**Voyage** None

**Cargo** In ballast

**Type of Casualty** Suffered an engine room fire whilst moored at Gustavsvogel

**Type of Claim** Fire damage claim



### Anna Desgagnés

Ro-ro, IMO 8600507, Built 1986, 17,850 dwt

**Date of Casualty** 3 July 2016

**Voyage** Montreal to Ile aux Coudres, Canada

**Cargo** General cargo

**Type of Casualty** Ran aground on the Saint Lawrence River near Montreal. The vessel was refloated and towed back to Montreal.

**Type of Claim** Hull damage and possible salvage claim

**P&I** Shipowner's Club

### Alfa

General cargo with container capacity, IMO 7610050, Built 1977, 4,156 dwt

**Date of Casualty** 4 July 2016

**Voyage** Otaru, Japan to Vladivostok, Russia

**Cargo** No details

**Type of Casualty** Suffered a fire during discharging operations.

**Type of Claim** Fire damage claim

## CASUALTY FOLLOW-UP



**El Faro** - editions - 132, 133, 134, 136, 138, 139, 143, 145, 147, 148, 151, 160, 162, 165 & 166 the NTSB operation to recover the vessel's voyage data recorder will commence in the first week of August and is expected to last two weeks. The U.S. Navy will assist.

**Alexander von Humboldt** - edition 155 - repairs to the allision damage were completed in Bremerhaven on 29 May and the vessel proceeded to Murmansk.

**Benita** - editions 169 & 170 - a survey carried out by divers and an ROV has been carried out in cargo hold No. 5 where a pinnacle of rock has penetrated. Salvors Five Oceans Salvage have

concluded that they will be able to pull the vessel off without using explosives to blast the rock. The vessel is reported to be stable with no evidence of stress. Tugs *Ionian Sea Fos* and *Coral Sea Fos* are both connected to the vessel's stern to prevent the casualty from moving under the influence of the wind and waves.

Work has been undertaken to repair one of the vessel's starting air compressors and an auxiliary engine has been started restoring auxiliary power to the vessel. The vessel's cranes and windlasses are now operational. A team of 25 welders, fitters and assistants are preparing the double bottom tanks and cargo holds for pressurization for the re-floating attempt.

be afloat and will be towed to Ecuador. **Type of Claim** Fire damage/possible total loss

[Access all our previous casualty newsletters here](#)

### Arkadija

Reefer, IMO 9057393, Built 1992, 7,911 dwt

**Date of Casualty** 5 July 2016

**Voyage** Busan, South Korea to Vladivostok, Russia

**Cargo** Reefer cargo

**Type of Casualty** Suffered a fire in the cargo hold whilst at Vladivostok

**Type of Claim** Fire damage claim

### OTA-891

Tug, Built 1965, 93 dwt

**Date of Casualty** 6 July 2016

**Type of Casualty** Ran aground on the River Volga whilst towing two barges carrying gravel.

**Type of Claim** Possible hull damage and salvage claim

## IN OTHER NEWS

On 1 July the 10,000 teu containership *MOL Benefactor* paid a record breaking USD829,468 fee to transit the 77 km of the Panama Canal. Since the Canal can now take containerships up to 12,000 teu, it is expected that this record will soon be broken with a USD1million transit fee likely. The widening of the Canal, which opened last weekend, cost USD5.25billion.

