

Roose + Partners

Casualty Newsletter ④

18th December 2013

FEATURE

Lloyd's Open Form - in operation this year

With the year drawing to an end, thoughts inevitably turn towards annual reviews. The Casualty Newsletter has, since its first edition back in March of this year, aimed to provide a snapshot of the weekly casualties taking place in waters across the globe. We have featured a huge number of shipping casualties from engine breakdowns, groundings and collisions, many of which resulted in salvage assistance being provided under the Lloyd's Open Form of Salvage contract.

The LOF contract, which has been in operation for over 100 years, is the contract of choice for many of the World's professional salvors when dealing with a casualty situation. The contract is defined by the principle of *No Cure No Pay* which very simply means that a salvor is not entitled to receive any payment if they are unsuccessful. Salvors undertake all the risk of the operations and, in return, the levels of rewards due to them are uplifted to reflect the risks of contracting on *No Cure No Pay* terms.

As the reward is focused on the extent of the salvor's success and cannot exceed the value of the property

salved, there are instances where contracting on *No Cure No Pay* terms is not particularly attractive to a salvor. With an eye on encouraging salvors to provide assistance to any vessels in distress, the LOF 2000 form introduced SCOPIC which, when invoked into the contract, enables salvors to obtain some form of payment for their services on a fixed tariff covering every man, piece of equipment and vessel employed throughout the salvage service, without success being a pre-requisite. The payment of SCOPIC is usually underwritten by the vessel's P&I Club and applies whether the salvage operation is successful or not. If the salvors succeed in saving property, they will still be entitled to a reward, payable by the owners of that property pro-rata to their respective salvaged values. This reward, commonly referred to as the Article 13 reward, is assessed on the basis of 10 criteria laid down by the International Salvage Convention 1989, which aim to provide a reward which has due regard to the nature of the services rendered and the benefit conferred by salvors upon the saved property. If the resulting Article

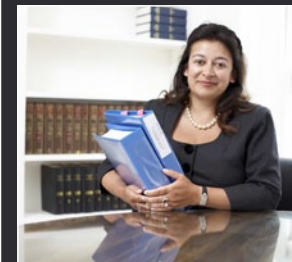
13 reward is less than the tariff SCOPIC expenses, then the P&I Club will pay the difference or, if there is no success at all, the Club will bear the full cost of SCOPIC.

Over the course of the year some 59 salvage contracts have been signed on LOF terms, with 17 contracts reported in the last quarter. Of those 59, salvors have reportedly invoked the SCOPIC clause in 15 cases, providing assistance to vessels which, back in the day, would perhaps not have been assisted. The most notable salvage case this year involving LOF and SCOPIC was the infamous *MOL Comfort*, which broke in two whilst in the Arabian Sea in June. Salvors, Nippon Salvage and Smit Salvage were unsuccessful in their efforts to salvage the forward and aft sections and their salvors' reward will therefore be confined to the SCOPIC expenses incurred.

Since beginning the Newsletter in March, we have reported on 37 casualties where services under the LOF contract have been provided to vessels in distress. If you wish to review these please visit the casualties page of our website.

LOF NEWS

Miss Vasanti Selvaratnam, QC, has accepted an invitation to join the LOF Panel of Arbitrators effective from 1 January 2014. Miss Selvaratnam will remain on the panel until 11 November 2014 or until such time as Timothy Brenton, QC, is able to resume his duties as an LOF Arbitrator.



LOF CASUALTIES 2013

Date	Vessel	Salvor
3-Jan-13	Kulluk	Smit Salvage BV
4-Jan-13	Asian Lily	Svitzer Salvage Australasia Pty Ltd
7-Jan-13	Alfajr Almunir	Owners of the Phoenix 1
17-Jan-13	Christos XXII	Claim by tug
18-Jan-13	AE Gas	T&T Bisso
5-Feb-13	RBD Italia	Tsaviris Salvage (International) Ltd
8-Feb-13	Marine Alliance	Nippon Salvage Co Ltd
28-Feb-13	Chemical Arrow	Consortium Union of Tugs-Salvage Tugs Lybousakis
28-Feb-13	Ocean Pegasus	Nippon Salvage Co Ltd
28-Feb-13	Flying Dolphin XIX	Lybousakis Atlas Shipping Co
4-Mar-13	Thuan My	POSH Samco and T&T Salvage
7-Mar-13	International Carrier	Mammoet Salvage BV
29-Mar-13	Danio	Titan Maritime (UK) Ltd
2-Apr-13	Ocean Prince	Five Oceans Salvage Consultants Ltd
3-Apr-13	Atlantik Confidence	Smit Salvage BV and Solar Salvage Inc
4-Apr-13	Varkan Marmara	Alexander G Tsaviris & Sons Maritime Co
11-Apr-13	Rossini	Deep Sea Supply Shipowning AS
8-May-13	Rio Gold	Tsaviris Salvage (International) Ltd
10-May-13	Conmar Avenue	Kotug, Bugsier & Urag as Co-Salvors
28-May-13	Navios Magellan	Tsaviris Salvage (International) Ltd
6-Jun-13	Free Neptune	Five Oceans Salvage Consultants Ltd
13-Jun-13	Perla	Five Oceans Salvage Consultants Ltd
20-Jun-13	MOL Comfort	Nippon Salvage and Smit Singapore
21-Jun-13	Ocean Glory	Tsaviris Russ (World Wide Salvage & Towage) Ltd
25-Jun-13	Ostgard	Les Abeilles International Limited
2-Jul-13	Omega	Five Oceans Salvage Consultants Ltd
3-Jul-13	Fu Sheng Hai	Nippon Salvage Co Ltd
4-Jul-13	Katherine	Alexander G Tsaviris & Sons Maritime Co
5-Jul-13	Baru Satu	Smit Salvage BV and Megatugs
8-Jul-13	Hope	Titan Maritime (SEA) Pte Ltd
11-Jul-13	Otilia	Svitzer Salvage BV
18-Jul-13	Hansa Brandenburg	Five Oceans Salvage Ltd & Smit Salvage BV
22-Jul-13	Dong-A Leto	Svitzer Korea Inc
25-Jul-13	Betta Livestock 17	Maridive & Oil Services
8-Aug-13	Tay Do Star	Smit Singapore Pte Ltd
9-Aug-13	Kiani Satu	Smit Marine South Africa (Pty) Ltd
10-Aug-13	Leverage	Tsaviris
13-Aug-13	Gas Texiana	Tsaviris
13-Aug-13	Carmen Silva	Tsaviris Russ (World Wide Salvage & Towage) Ltd
19-Aug-13	A Ladybug (1)	Megatugs Salvage & Towage
20-Sep-13	Hagen	Tsaviris Salvage (International) Ltd
24-Sep-13	A Ladybug (2)	Megatugs Salvage & Towage
14-Oct-13	Tabernacle Grace	Sri Lanka Shipping Co Ltd & Svitzer Salvage BV
22-Oct-13	Sila	Tsaviris Russ (World Wide Salvage & Towage) Ltd
30-Oct-13	Aghia Marina	Tsaviris
31-Oct-13	Siderfly	T&T Bisso
4-Nov-13	Pantagrul	Five Oceans Salvage Consultants Ltd
6-Nov-13	Maiolina De Carlini	Smit Salvage BV
7-Nov-13	Achilleas	Tsaviris Russ (World Wide Salvage & Towage) Ltd
8-Nov-13	Serra Atasoy	Solar Salvage
11-Nov-13	Conberria	Smit Salvage BV
14-Nov-13	Heung-A Dragon	Svitzer Salvage BV
25-Nov-13	Meagcore Philomena	Five Oceans Salvage Consultants Ltd
30-Nov-13	Ocean Countes	Tsaviris
6-Dec-13	Burak Bayraktar	Unknown
6-Dec-13	C Ladybug	Multtraship
6-Dec-13	Bianco Zealand	Svitzer Salvage BV
10-Dec-13	Anna Bo	Five Oceans Salvage Consultants Ltd
16-Dec-13	Gas Ice	Multtrashp/URS

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NEW CASUALTIES - edition 40

Asia Peace

General cargo vessel, Built 2001, 7,698 dwt

Date of Casualty 5/6 December 2013 - late notification

Voyage Davao, Philippines to Zhangjiagang, China

Cargo Timber

Type of Casualty Sinking in the Luzon Strait during heavy weather. All crew were safely evacuated.

Type of Claim Total loss claim

Boston Express

Fully cellular containership, Built 1993, 67,670 dwt

Date of Casualty 9 December 2013 - late notification

Voyage Tokyo, Japan to Tacoma, USA

Cargo General containerised cargo

Type of Casualty Disabled south of Aleutian Islands. The Nippon Salvage tug *Koyo Maru* was contracted to tow the vessel.

Type of Claim Confirmed General Average declaration

GS Grand

Chemical tanker, Built 1991, 13,946 dwt

Date of Casualty Pre 12 December 2013

Voyage Singapore to Ho Chi Minh, Vietnam

Cargo Unknown

Type of Casualty Mechanical problems. Salvage tug *De Yong* is now towing the vessel to destination.

Type of Claim Possible salvage and/or General Average declaration

Merweborg/Caroline Russ

Merweborg - General cargo vessel, Built 1997, 9,200 dwt

Caroline Russ - Passenger ro-ro vessel, Built 1999, 10,488 gt

Date of Casualty 12 December 2013

Voyage to Turkey to Sundsvall, Sweden / Amsterdam, Netherlands to Hamburg, Germany

Cargo Unknown / n/a

Type of Casualty Collision. The *Merweborg* collided with the ferry whilst berthing in Cuxhaven. Both vessels suffered considerable damage.

Type of Claim Collision damage claim



Amorella

Passenger ro-ro vessel, Built 1988, 3,690 dwt

Date of Casualty 14 December 2013

Voyage Turku, Finland to Stockholm, Sweden

Cargo n/a

Type of Casualty Grounding east of Åland Islands, Baltic sea with 2,014 people on board. The vessel's hull was breached leading to water ingress into her ballast tanks. She refloated by her own means and proceeded to Mariehamn.

Type of Claim Hull damage and possible passenger claims

Rysum

General cargo with container capacity, Built 1992, 2,381

Date of Casualty 14 December 2013

Voyage Glasgow, UK to Ulsteinvik, Norway

Cargo Unknown

Type of Casualty Engine failure north



of Stad. The vessel was towed into Aalesund and after carrying out repairs was able to continue with her voyage.

Type of Claim Possible General Average declaration

Arklow Ruler

General cargo with container capacity, Built 2006, 4,530 dwt

Date of Casualty 15 December 2013

Voyage Felixstowe to Newport, UK

Cargo Scrap Metal

Type of Casualty Loss of propulsion off Rame Head, Cornwall, UK. The vessel anchored off the coast whilst the crew tried unsuccessfully to effect repairs and was subsequently taken in tow by the tug *Union Boxer* to Fowey, Cornwall.

Type of Claim Possible salvage and/or General Average declaration



Ding Yao Jing Sheng/ COSCO Ningbo

Ding Yao Jing Sheng - Bulk carrier, Built 2008, 5,200 dwt

COSCO Ningbo - Fully cellular containership, Built 2006, 107,493 dwt

Date of Casualty 15 December 2013

Voyage Ningbo to Lianyungang, China /

Cargo Unknown / General containerised cargo

Type of Casualty Collision in the Yangtze River Estuary, near Shanghai. The *Ding Yao Jing Sheng* sustained severe damage to her port side and developed a list to port. All her crew were safely evacuated.

Type of Claim Collision damage claim

Trans-Asia 5

Ro-ro passenger vessel, Built 1989, 4,790 dwt

Date of Casualty 15 December 2013

Voyage Cagayan de Oro to Cebu City, Philippines

Cargo n/a

Type of Casualty Engine failure. Ferry Asia Pacific and two tugs provided towage to the nearest port. There were 626 passengers on board.

Type of Claim Possible salvage claim

Carl Presser/Gau

Carl Presser - Inland cargo vessel, no other details

Gau - Barge, no other details

Date of Casualty 14 December 2013

Voyage Regensburg to Austria / Unknown

Cargo 1,000 m/t of soya meal / 900 m/t of steel rolls

Type of Casualty Collision on the Danube.

Type of Claim Collision damage claim

Voyager K

Bulk carrier, Built 1985, 26,591 dwt

Date of Casualty 17 December 2013

Voyage Ukraine to Chittagong

Cargo 25,500 m/t of wheat

Type of Casualty Grounding in Chittagong Port. Some 3,500 m/t of cargo was to be discharged to enable the vessel to be refloated.

Type of Claim Possible salvage claim



Adventure

Ferry, Built 1987, 76 gt

Date of Casualty 17 December 2013

Voyage Unknown

Cargo n/a

Type of Casualty Grounding off Battery Island, 14 passengers were injured.

Type of Claim Hull damage and passenger claims

Cheng Lu 2

General cargo vessel, Built 2008, 13,567 dwt

Date of Casualty 17 December 2013

Voyage Tianjin, China to Busan, South Korea

Cargo Unknown

Type of Casualty Engine failure. The vessel is drifting north of Rokko Sai, off the coast of Honshu.

Type of Claim Possible salvage and/or General Average declaration

Haci Zeki Guclu

General cargo vessel, Built 1991, 2,060 dwt



CASUALTY FOLLOW-UP

Smart - edition 23 - T&T Salvage and Titan Salvage have been awarded the contract to remove the wreck of the sunken bulk carrier which grounded off Richards Bay, South Africa in .

Date of Casualty 17 December 2013

Voyage Ereğli to Gemlik, Turkey

Cargo Unknown

Type of Casualty Engine failure off Istanbul. Coastal Safety tug *Kurtarma-7* attended and the vessel was towed to an anchorage to effect repairs.

Type of Claim Salvage claim and possible General Average declaration

Grenaa Star

Trawler, Built 1968, 35 gt

Date of Casualty 17 December 2013

Voyage n/a

Cargo Fish

Type of Casualty Allision with the South Pier, Tynemouth. The vessel began taking on water and was intentionally grounded.

Type of Claim Possible salvage and allision damage claim

Britannia Seaways - edition 36 - has been repaired and will resume service on 20 December.

Stephen L. Colby - edition 37 - has been refloated and is being towed to a repair facility St. Louis.