

### FEATURE

## LOF News

The table below provides details of the LOF salvage contracts reported as being agreed since January 2014. Since our 2nd April Newsletter, edition 54, which reported on the first quarter action, the second quarter of 2014 has seen a further 8 LOF salvage contracts reported to Lloyd's Salvage Arbitration Branch. This brings the total reported LOF contracts, over the first six months of 2014, to 20. By contrast, at the same period last year, some 25 LOF contracts had been reported to Lloyd's. The declining figures will once again raise concerns regarding the popularity and use of the LOF contract.

Of course, there is little doubt that shipping is getting safer with technological advancements helping reduce casualties globally, albeit reading the Casualty Newsletter week on week may suggest otherwise, and the fact that there are fewer casualties is a good thing for property underwriters. The net result of fewer casualties is that there are fewer requirements for services to be performed which are of a salvage nature. However there are certainly cases which we report on week in week out which would have, in years gone by, certainly involved the LOF contract but alternatives are now favoured.

Certainly, despite the efforts to improve the perception of the LOF contract, there still appears to be a general mistrust

of the Form. Reward levels continue to play a part, with underwriters continuing to express concerns that LOF awards are too high. This (award levels) is a subject for another day since there are many factors which should be considered when evaluating the published LOF awards, but there is little doubt that alternatives to LOF are warmly welcomed. With fewer casualties, there is greater competition amongst salvors and this puts property interests in a much stronger position when it comes to considering and negotiating offers of assistance. Offers on commercial terms, which may in some instances have some level of uplift built in and may be claimed through the mechanism of General Average, are a known quantity and enable underwriters to more accurately set their reserve levels. Improvements in communications mean shipowners can, more than ever, now opt for their 'favourite' salvor, even if those salvors will often simply subcontract the service to another party. In addition many shipowners have commercial links with salvage companies and the requirements under OPA 90 for shipowners to nominate salvors in advance has improved these links. Some vessel owners such as Maersk, even own their own salvage company. Svitzer being part of the Maersk Group are unlikely to assist Maersk vessels on LOF terms.

Yusuf Cepnioglu

### LOF CASES

Date	Vessel	Salvor
03/01/2014	C Ladybug	Multiraship Salvage BV
06/01/2014	Cassiopeia Star	Tsaviris Salvage BV
11/01/2014	Ligari	Tsaviris Salvage (International) Ltd
26/01/2014	Fidelity I	Five Oceans Salvage
01/02/2014	Cape Elise	Tsaviris Salvage (International) Ltd
20/02/2014	Rapallo	Tsaviris Salvage (International) Ltd
08/03/2014	Patriarch (Tug) and barge	Titan
08/03/2014	Yusuf Cepnioglu - SCOPIC	Alexander G Tsaviris & Sons Maritime Co
09/03/2014	My Love	Megalohari- Hellenic tugs Towage-Salvage
15/03/2014	John I - SCOPIC	Svitzer Salvage BV & Solar Salvage
17/03/2014	Lmz Ariel	Tsaviris Salvage (International) Ltd
31/03/2014	Sunleaf Grace	Smit Salvage
15/04/2014	Challenger - FCAP	Megalohari- Hellenic Tugs Towage-Salvage
16/04/2014	Atlantis Uno	Antillana de Salvamento
22/04/2014	Asian Empire - SCOPIC	Svitzer Salvage BV
19/05/2014	Altinia	Smit Salvage BV
22/05/2014	Douwent	Multiraship Salvage BV
22/05/2014	Saloos - SCOPIC	Tsaviris Salvage (International)
09/06/2014	Tektoneos	Alexander G Tsaviris & Sons
11/06/2014	Viet Long - Scopio	Smit Singapore Pte Ltd

### NEW CASUALTIES



#### Ceyda Aytekin ▣

General cargo vessel, Built 1999, 6,558 dwt

**Date of Casualty** 24 June 2014 – late notification

**Voyage** Soussse, Tunisia to Istanbul, Turkey

**Cargo** In ballast

**Type of Casualty** Engine failure whilst en route to Turkey. The vessel was towed by the tug *Marin Tug II* to Haydarpaşa Port arriving on 26 June. The vessel also suffered engine problems at Soussa on 23 May 2014 whilst preparing to discharge a cargo wood products which has resulted in a General Average declaration. We represent part cargo interests in relation to this GA matter.

**Type of Claim** Possible salvage claim

#### Sein Sun

Reefer, Built 1984, 5,438 dwt

**Date of Casualty** 24 June 2014 – late notification

**Voyage** Tarawa Atoll, Kinbati to Funafuti, Tuvalu

**Cargo** Frozen produce

**Type of Casualty** Disabled and adrift 310 nm west of in Nauru, in the South Pacific, following a fire. The crew were able to bring the fire under control. The vessel is proceeding with restricted manoeuvrability.

**Type of Claim** Fire damage and possible salvage claim and cargo loss

#### Midvolga-1

Product tanker, Built 2013, 6,500 dwt

**Date of Casualty** 25 June 2014

**Voyage** Oktyabrsk to Kavkaz, Russia

**Cargo** 4,790 m<sup>3</sup> of heavy oil

**Type of Casualty** Grounding in Tsimlyanskiy Basin, Russian inner waterways.

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



#### Sui Hai Yun 382 ▣

General cargo vessel, no other details

**Date of Casualty** 25 June 2014

**Voyage** to Tuen Mun, China

**Cargo** General containerised cargo

**Type of Casualty** Grounding at Butterfly Beach in Tuen Mun in the west of Hong Kong following engine problems. The vessel was refloated the same day.

**Type of Claim** Damage to shark net and possible hull damage claim

#### Gulf River/Ercan Naiboglu

*Gulf River* - General cargo with container capacity, Built 1981, 3,612 dwt

*Ercan Naiboglu* - General cargo vessel, Built 1984, 5,060 dwt

**Date of Casualty** 25 June 2014

**Voyage** Abu Kir, Egypt to Izmit, Turkey / Izmir, Turkey to Black Sea

**Cargo** In ballast / 4,800 m<sup>3</sup> of steel products

**Type of Casualty** Collision whilst in

the northern part of the Canakkale Strait

**Type of Claim** Collision damage

#### Sinokor Tokyo

Fully cellular containership, Built 1999, 10,935 dwt

**Date of Casualty** 26 June 2014

**Voyage** Niigata to Akita, Japan

**Cargo** General containerised cargo

**Type of Casualty** Collision with a fishing vessel (unnamed) west of Niigata causing damage to the fishing vessel and an oil spill.

**Type of Claim** Collision damage claim and clean-up operations

**P&I** Korea Shipowners



#### Caraka Jaya Niaga III-7 ▣

General cargo vessel, Built 1992, 3,200 dwt

**Date of Casualty** 26 June 2014

**Voyage** Papua Bintuni to Gresik, Indonesia

**Cargo** Logs

**Type of Casualty** Fire in engine room reportedly caused by welding works. 4 tugs were engaged in fighting the fire and none of her cargo was affected. The crew of the vessel, which was at anchor off Gresik port at the time, abandoned the vessel and once the fire had been extinguished the vessel was towed into port.

**Type of Claim** Possible General Average declaration

Further casualties overleaf ▶

# Roose + Partners

NEW CASUALTIES - Continued - edition (67)



## Ocean Summer ▣

Combined chemical and oil tanker, Built 2009, 41,398 dwt

**Date of Casualty** 28 June 2014

**Voyage** Singapore to Chittagong, Bangladesh

**Cargo** 21,947 m<sup>3</sup> of high sulphur fuel oil

**Type of Casualty** Allision with the *Dolphin Jetty-5*, Chittagong Port, whilst undergoing berthing operations.

**Type of Claim** Allision damage claim

**P&I** UK Club

## Zuzanna

General cargo vessel with container capacity, Built 1982, 1,130 dwt

**Date of Casualty** 29 June 2014

**Voyage** Selvik to Oslo, Norway

**Cargo** Unknown

**Type of Casualty** Allision with berth in Tonsberg, Oslofjord, near Oslo.

**Type of Claim** Allision damage claim

## Hamal

General cargo with container capacity, Built 1997, 5,623 dwt

**Date of Casualty** 30 June 2014

**Voyage** Arzew, Algeria to Tuzla, Turkey

**Cargo** Unknown

**Type of Casualty** Engine failure. Salvage tug *Brucoli* attended and is continuing to provide assistance.

**Type of Claim** Possible salvage claim or fine

**P&I** The Standard Club



## BBC Houston ▣

General cargo with container capacity, Built 2005, 7,492 dwt

**Date of Casualty** 1 July 2014

**Voyage** Jebel Ali, UAE to Charleston, U.S.A.

**Cargo** Loaded

**Type of Casualty** Engine breakdown. The vessel was towed into Gibraltar by the tug *Capable*.

**Type of Claim** Possible General Average declaration

## Rize

Bulk carrier, Built 2012, 81,950 dwt

**Date of Casualty** 1 July 2014

**Voyage** Seven Islands Canada to Mobile, USA

**Cargo** Unknown

**Type of Casualty** Allision whilst berthing at Mobile.

**Type of Claim** Allision damage claim

**P&I** The Standard Club

## Jim Marko

Tug, Built 1976, 158 gt


**Date of Casualty** 1 July 2014

**Voyage** n/a

**Cargo** n/a

**Type of Casualty** Sinking in the Upper Mississippi River near St Louis. The vessel had 10,000 gallons of diesel fuel on board. Salvage operations are being delayed.

**Type of Claim** Salvage claim

Access all our previous casualty newsletters here 

## FISHING VESSELS

### Marisol II - PS 0551 ▣

Fishing vessel, no other details

Tasa 147 - Fishing vessel, no other details

**Date of Casualty** 24 June 2014 - late notification

**Type of Casualty** Collision off Pisco, Peru leading to the loss of the *Marisol II* and the death of 12 of its 15 crew.

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

### Liao Yuan Yu

Fishing vessel, Built 1988, 463 dwt

**Date of Casualty** 25 June 2014

**Type of Casualty** Fire whilst in the

South Pacific some 520 miles north-west of Papeete, French Polynesia, leading to the crew abandoning the vessel.

**Type of Claim** Possible total loss

### Le Sans Spé II

Fishing vessel, no other details

**Date of Casualty** 26 June 2014

**Type of Casualty** The trawler's propeller was damaged whilst fishing off Cape Ferret and the vessel drifted ashore near Crohot Noir. The vessel was refloated in the afternoon.

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

## YACHTS

### Reve d'Or

Yacht, Built 2011, 70 dwt

**Date of Casualty** 24 June 2014 - late notification

**Type of Casualty** Grounding on a beach off Lefkada, Greece. The vessel was stuck fast and action was taken to remove her bunkers and the vessel was then pulled free by two tugs from Patras. Video of the grounded vessel can be viewed [here](#).

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

### Simanderal

Yacht, no other details

**Date of Casualty** 24 June 2014

**Type of Casualty** Water ingress eventually leading to the abandonment of the yacht and its subsequent loss. The crew were rescued by the tanker *Maersk Mediterranean*

which diverted to yacht's position some 300 miles south of the Seychelles island of Mahé.

**Type of Claim** Total loss claim

### Albatros/Fridtjof Nansen ▣

*Albatros* - Sailing ship, Built 1899

*Fridtjof Nansen* - Sailing ship, Built 1919, 247 gt

**Date of Casualty** 28 June 2014

**Type of Casualty** Collision in the old Port of Wismar causing damages to both vessels.

**Type of Claim** Collision damage claim



## CASUALTY FOLLOW-UP

**Hanjin Athens** - editions 61, 63, 64 & 66 - Discharge of the fire damaged containers commenced at Limassol on Sunday 29 June after port workers were given reassurances regarding the type of cargo to be removed and the risks to their personal safety. The discharge operations have since been suspended and the vessel has been ordered back to an anchorage outside the port. Most of the estimated 250 damaged containers have been removed but the extinguishing water remains on board. Investigations into the cause of the fire continue. Our appointed fire expert is in attendance.

**SS Explorer** - editions 65 & 66 - is being towed by the tug *Ionian Fos* and is expected to arrive in Dubai for repairs shortly.

**Maranta** - edition 66 - was refloated on 25 June after the cargo was partially lightered. The waterway is now open but the area of the grounding is undergoing a sounding survey.

**Costa Concordia** - editions 27, 31 & 63 - Italy's Cabinet has approved the plan for the cruise ship to be towed to Genoa for breaking and recycling. The final preparations for the refloating are being carried out by a team of 350 personnel from Titan Micoperi. A further two more sponsons are still to be installed (bringing the total to thirty sponsons). The structures will provide the vessel with the necessary buoyancy and stability during the refloating operations. The vessel is expected to leave Giglio by the end of July.