CIS PANDI Services Ltd

Black Sea P&I Review 2008

- **NOVOROSSISK**
- **ODESSA**

P&I Review 2008 - Novorossiysk (by Oleg Shashkin)

1. Ecological Problems in the Oil Harbor of Tuapse port (Black sea)

In the recent past in Tuapse oil harbor there have been several cases when vessels Masters noticed oil stains on the sea surface around their vessels appearing on clear sea while the vessel was under mooring, shifting or even loading operations. Oil stains on sea surface appear in spite of all safety and preventive measures are taken to avoid the overflow or spillage from vessels. As required by the regulations, the Masters reported and discussed the matter with the Harbor Master,

authorities and the ship agent and were informed that this situation is customary. The so-called "oil lens" is an ecological problem of Tuapse port. It is caused by the accumulation of oil near the surface of the seabed. This oil accumulation is due to a long period of leakage of oil and oil products from the worn out underground oil pipe lines belonging to the company "Rosneft" and its affiliates - "Rosneft-Tuapsenefteproduct" and "Rosneft-Tuapse Oil Processing Plant". The oil may under some circumstances be leaking from the "lens" and covers the sea surface with a thick layer which becomes a film or sheen at distance from the lens. In particular it may happen when a vessel disturbs seabed by moving and "pushes the mud"

Recommendation: The Master should be cautious in this matter and should not be afraid to report the oil stains fully, in accordance with port regulations.

2. Carriage of Cement in big bags. Potential claims

The owners of ships arriving with cargoes of cement in big bags often face problems connected with claims from receivers. Claims usually occur as a result of damage to part of the cargo due to its packing - big bags – also known as IBC's intermediate bulk containers. In some cases vessels have been detained as security for such losses. Such claim amounts are increased as cargo in such packing is sold in the retail market all over the country and supply in less than proper condition can involve a chain of secondary claims from other parties.

Among the other factors, damage to packing occurs when the stowage instructions of producers and packers of this cargo are ignored. It should be known that most such packing - soft big bag IBC's should be stowed by shippers not more than two tiers in height. This is clearly marked on the packing manufacturers' label attached to the bag. In the meantime

contrary to such requirements the majority of vessels carry such cargo stowed on board 4 and 5 tiers high. In such cases bags in the lower 2 – 3 tiers cannot endure the weight of the bags in the upper tiers and they burst sometimes causing collapse of the stow. In some cases the contents of the lower tiers can be damaged by compaction and become hardened.

It is understandable that owners will try to carry as much cargo as possible, but they should be aware of the potential risks involved.

Recommendation: Awareness of the problem and its consequences when concluding charter parties.

3. Misinterpretation of Vessel Arrest/Detention Orders

Arrest of a vessel is usually ordered by the Court to ensure security against a claim until either the verdicts of hearings on the case, or until an appropriate financial security is lodged, after which the vessel may be released. Usually the Court issues another decision stating that the ship is released until the final decision of of the Court. Such court orders are sometimes unclear for authorities in the port who are in charge of issuing clearance in outward formalities. They sometimes require further clarification to be received from the Court and are afraid to issue clearance due to the fact that the vessel may be arrested the Court again within an unknown period of time. When this occurs the authorities usually do not know what to do and it becomes a problem for ship-agents. The P&I correspondents do their best to persuade the authorities to release the vessel however it sometimes takes several days after the ship is released by the Court before its release by the Harbor Master.

4. Container rough handling. Matters of responsibility of carrier for cargo damage in containers caused by third parties under Door-to-Door (FCL) Bills of Lading

From time to time we see claims made against Container Lines (Carriers) due to shifting of cargo inside the containers during combined carriage (sea-rail-road). Shippers are trying to prove that they stow and secure container contents carefully, try to place the blame on the ocean carrier for alleged rough handling of containers. One of the defenses that the carrier tries to use is to argue is that since the container itself does not present any visible recent damages this is evidence of careful carriage and no claim is accepted. However, studies of after-discharge handling and transport of containers shows that in some cases Russian Railways exceed the normal foreseen forces exerted on the contents of containers in multiple shunting operations even on relatively short distance inland journeys, and sudden deceleration such as during emergency braking of motor trucks on the road can produce similar effects.

Recommendation: Despite the above facts, it can be quite difficult to prove and carriers are recommended to request in such cases that the surveyor investigate and study the matters of stowage and securing of the cargo in a container as well as the usual damage in their cargo reports.

5. Wine Damage. Owners' Defense

Product carriers often transport different bulk liquids in separate tanks – one consignment per tank. Such tankers are constructed with a hydraulically driven pump installed in each tank. In this way the ship can discharge a number of cargoes separately and independently from others. However the pump can also be a potential contamination source to a sensitive cargo by leakage of its hydraulic oil. A case recently managed occurred when cargo receivers claimed a large amount for contamination of a cargo of wine raw material allegedly caused by hydraulic oil determined visually during sampling.

Cargo was sampled and a claim for further security was requested from owners. Receivers also stated that they found similar contamination in samples taken from the consignment discharged into their own storage tanks.

However after analysis, it was revealed that the cargo taken from ship's tanks and visually considered contaminated was not damaged nor mixed with any contaminant, but was of a bad quality which further deteriorated during carriage, even though the transport was performed in order, and under all

requirements of the shippers. Receivers however still continued to claim for contamination of samples taken from their tanks and put the cargo interests into complicated position where the claims had apparently been erroneously made against the ship. Ship-owners should ensure that they cannot be held responsible for the quality of cargo and should always be ready to defend such claims. The above case is still in process and its outcome still pending.

Recommendation: Ensure that shipper's samples are supplied and carried on board, and draw and retain sealed and stamped samples jointly with other interested parties to form their own independent sets of samples.

P&I Review - Odessa 2008 (By Adv. Pavel Svertilov)

1. Pollution caused by discharging sewage water. Aggravation of control by authorities

In our previous reviews we described the problem with Ukrainian environmental regulations for ship's pollution control equipment during calling at Ukrainian ports. We pointed out that Ukrainian environmental requirements are unreasonably strict and situation is not likely to be changed in the near future. It would seem that Ukrainian authorities are taking very taught stance against what would appear to be minor incidents. The authorities view was that until local P&I correspondent/or ship's agent does not provide the appropriate letter of guarantee for the payment of fine, ecologists do not sigh the vessel's ecological outward declaration, and the vessel remains detained.

As we stressed, governmental bodies have wide powers for detention the vessels and they co-ordinate their steps when pollution incidents occur. It is needless to say that Ukrainian Authorities is continuing dealing very severely with vessels which discharge even a small quantity of pollutant (sewage or bilge waters) within Ukrainian territorial waters.

In the past most of the fines were imposed for pollution while vessels were staying in the port area, however recently governmental body - State ecological inspection for protection of the Black Sea even imposed the fines for vessel for discharging sewage waters while crossing Ukrainian maritime borders – 15 miles zone from ashore.

Although the vessels are equipped with collector's tanks or special marine sewage treatment device duly certified, ecologists prosecute the vessel even for insignificant discrepancies with local standards for sewage water or infringements of local environmental rules such as lack of relevant records in Log Book about sealing the overboard valves before entering into Ukrainian territorial waters, lack of Sealing report, etc.

For example, in one case the vessel was equipped with Marine Sewage Treatment Device "Taiko Ship-Clean SBT - 40" for discharge sewage water overboard. The sewage is treated by biological film causing growth of bacteria on the surface of packing media and organic matter is treated by biochemical oxidation. The treated water is collected in the sterilization compartment and then discharged overboard by automatic operation of the discharge pump.

Nevertheless, analysis of waters was not in line with local norms for the suspended matters - vessel was penalized.

In other case state ecologists boarded the vessel and inspected the ship's piping system which allows disposal of galley grey water and water from the cabin's shower overboard. Thus, despite of being feature of the ship's construction, as per local port regulations fine was imposed.

Recommendation:

- The vessel must be equipped by appropriate tanks (collectors) for collection of grey/sewage waters or all outlet valves must be sealed in closed position. Prevent direct discharge overboard of grey water from Galley and showers.
- Alternatively the vessel should order port sewage collecting barge through the agent.
- if the vessel is equipped with collecting tank for sewage waters before entering the ship at Ukrainian territorial waters - about 15 miles distance to territorial water of Ukraine all stop valves (outlet valves, clinked gates, etc) and devices (hatches, covers, driving gears, etc) designed for discharge overboard of sewage waters must be properly closed and sealed with making appropriate records into Log Book and Engine Room Book;

- After berthing the ship all sealing operations for valves and devices should be made by persons of Port State Control (Harbor Master) in accordance with duly approved scheme of sealing and issuing of duly signed/stamped Sealing report. Sealing report must be requested from Harbor Master after sealing operation and MUST BE available onboard in any time. (Lack of such report onboard during state ecologists' inspection is a ground to impose the fine on the vessel);
- All procedures with pollution control equipment should be adopted ensuring that access to and utilization of overboard discharge equipment, valves, etc. is closely restricted and monitored in order to prevent any accidental damage of Harbor Master's seals on the ship's overboard valves.
- All overboard valves must be equipped with individual tags and locking mechanisms, the keys to which are kept by the Master/Chief Engineer.
- To inform in advance P&I representative/surveyor to attend the matter when ecologists will come onboard for inspection of sewage system and vessel's purifying installation.
- Appropriate records about closing/sealing the overboard valves before entering Ukrainian territorial waters must be submitted to ecologists at the time of inspection.

2. Chemical cargo alert: two fatalities, eight injuries due to infringement of cargo storage and loading

We wish to highlight the incident which took place recently at Ukrainian territorial waters.

The M.V "ODISK" carried cargo of ferrosilicon from Kerch (Ukraine) to Iskenderun. Two days after ship's departure from Kerch several crewmembers reported that they felt unwell. Master asked for assistance from shore and salvage operation commenced. Despite of these measures two crewmembers subsequently died, and remaining crewmembers were taken from the vessel and urgently hospitalized at hospital. The preliminary diagnosis was intoxication/poisoning by phosphine. Vessel was towed from Yalta to Kerch and berthed there and arrested by number of local authorities which commenced investigation the matter.

Upon completion of investigation the following was determined:

- The cargo in the land storage site was not adequately protected against weather conditions, especially atmospheric precipitation rain, dew etc.
- The cargo in tracks alongside the vessel was exposed to rain.
- Hole in drain channel in hatch cover in the hold, and missing rubber also created a possibility for water ingress into the hold. Sings of water leaks on portside bulkhead confirm this possibility.
- Lack of tightness, which we found on manholes covers of both holds, provided a possibility of gas leaking from holds to alleyways/side galleries.
- Cabins of both dead crewmembers were located on main deck and portholes were opened, enabling gas to penetrate into the cabins.
- Cargo holds were ventilated, however contrary to Code requirements; only one ventilator per hold was utilized.

In summary, intoxication of crew members occurred due to evolving and concentration gas phosphine from the holds where the chemical cargo of ferrosilicon was loaded during the rain in wet condition.

Pic. 1. m/v "Odisk" berthed of Kerch port under authorities' investigation – April 2007

Pic. 2. Cargo of ferrosilicon in wet condition. View 1

Pic. 3. Cargo of ferrosilicon in wet condition. View 2. As it is apparent from photos, despite the fact, that cargo is stored in shed warehouse, part of the cargo is located in puddle of rain water, cargo is partly wet.

Recommendation:

- Contingency plan should be in place, and crew members must properly trained and equipped to operate with poisonous cargo.

- Cargo space must be properly ventilated by enforceable fans in the holds during voyage. Fans should be either explosion-proof or arranged so that the escaping gas flow is separated from electrical cables and components. Ventilation should be such that any escaping gases cannot reach living quarters on or under deck space.
- Chemical cargo of ferrosilicon must be stored in elements protected area.
- In case of commencement the rain cargo operations must be stopped immediately with immediate notification to Ship-owners/P&I Club;
- all cargo operation must be carried out with supervision of P&I surveyor who will assist Master and protect Shipowners interests before the authorities and opposite parties;
- the atmosphere in cargo compartments as well as onboard must be frequently checked by authorized persons and in case of any emergencies deficiency of oxygen or flammability exposed crew members must wear the breathing apparatus and protective clothes;

We wish to stress the need for awareness of hazard of ferrosilicon, and adoption of effective safety and loss prevention measures during cargo operation and carriage of such cargo.

3. <u>Steel cargo coming out of Ukraine – Attention to clause cargo documents:</u>

Ukraine is one of the leading steel exporter at world market. Steel products loaded at Ukrainian ports (mainly: Odessa, Ilyichevsk, Mariupol) are produced and exported mainly from Ukrainian and Russian manufacturer producing the following finished steel products: steel beams and angles; cold and hot rolled steel sheets in coils or in bundles, steel plates, wire rods in coils, steel pipes mostly in bundles, debars in bundles and unfinished steel products such as: steel billets, slabs and blooms, etc. Attention should be drawn to damage and remarks into cargo documents for finished steel products.

The most frequent damages are in steel cargoes transported from the steel-plants to the ports by railway using open platforms or open wagons and stored at open area in the port open ground unprotected from elements. In addition, sometimes oil and grease from port cranes and equipment stains the steel cargo.

Recommendation:

We recommend endorsing following general remarks regarding condition of Cargo into Mate's Receipt and Bill of Lading and issue to Master appropriate surveyor’s letter:

- Cargo stored at open yard unprotected from elements;
- Cargo partly rust stained, rust spots apparent;
- Number of coils: inner and/or outer windings bent and/or dented to various extent up ___to __ windings affected);
- Cargo wet before shipment;
- Cargo stained with oil or grease patches;
- Number of bundles: bundles envelope dent/deformed in different extent;
- Number of bundles: one or more strapping bands torn/missing;
- Number of bundles: envelopes torn open/punctured revealing.
- Number of bundles: strapped insufficiently, wire strap loose;
- Number of plates with corners/or edges bent;
- Some plates partly covered with coal and/or chemical dust.

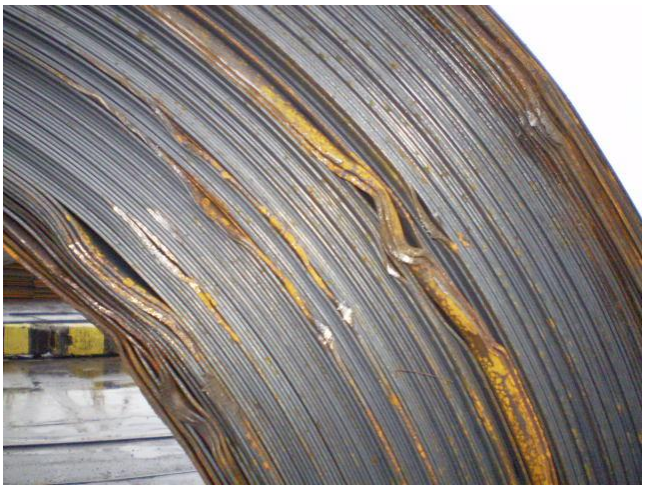
There are cases steel products sustain serious damages such as mechanical damage caused by use of improper handling gear and rough cargo operations, etc, effecting their further use and subsequent claims against owners. In such cases Master should consider to reject the damaged cargo and ask for replacement which is often available.

We recommend also that in addition to the W/H preload inspection, the surveyor should attend during loading cargo on board in order to reflect its actual condition and advise Master accordingly. Any damage and defects should be determined and described in the cargo documents. We recommend carrying out Silver Nitrate test to random pieces of the Cargo in order to check if the cargo was Chloride contaminated before loading.

Pic.4. Cargo stored at open yard unprotected from elements.

Pic. 5. Cargo partly rust stained.

Pic. 6. Sheets with dented/buckled corners.



Pic. 7. Coil with buckled inner/outer windings