

China gets tough with soyabean import inspections



Quality disputes may lead to claims involving soyabean imports in China

The Chinese State Office has reportedly implemented severe restrictive measures in connection with soyabean imports. It is understood that the relevant inspection authority will test the condition of imported soyabean and, if the quality does not meet stipulated standards, it will not be allowed into China. As a result, importers will suffer financially and may in turn try to recoup their losses through claims against carriers involving, for example, allegations of discrepancies in the dating of bills of lading, if there is any sort of evidence to that effect.

Alternatively, they may claim that the cargo has been damaged or short-delivered. This could ultimately result in litigation before the courts in China, with traders trying to transfer their losses under

the sale agreement to shipowners under bills of lading.

US Customs penalty offset

A report has recently reached the Club highlighting the application of the US Customs penalty offset programme to liabilities arising in drug smuggling cases. The authorities at Miami discovered cocaine inside an empty container shipped from Colombia, and the resulting customs penalty was initially assessed at \$240,000. This was subsequently reduced to \$24,000, following the submission of the owners' mitigation arguments. The authorities paid particular attention to the fact that this was the owners' first such offence. But the penalty offset programme then enabled the owners to seek to offset expenditure on "extraordinary security equipment" against the penalty figure.

If any cargo damage is found on discharge in China, it is suggested that the local government survey company, CIOQ, be appointed as soon as possible, thus preventing the cargo interests from making a similar appointment. But, if there is no cargo damage, and yet the cargo interests appoint a surveyor, there is every likelihood that the cargo interests will be preparing to pursue a claim against shipowners. In that event, it would be prudent for members to contact the Club managers – and specifically the Hong Kong office – to ensure that proper steps are taken to protect their interests.

The sort of apparatus which may result in such an offset includes remote cameras, closed-circuit television and x-ray equipment. When appropriate, details of such security arrangements should be submitted to the authorities as a request for penalty offsets, which may then have the effect of reducing or eliminating the penalty.

The authorities say they are willing to recognise and take into account the cost of such preventative measures, although it must be hoped that the installation of extraordinary security equipment will in most instances prevent cases such as this from occurring. For further details: www.cbp.gov/ImageCache/cgov/content/laws/informed_5fcompliance_5fregs/icp069_2epdf/v1/icp069.pdf

IN THIS ISSUE

Sudden rain in
Thailand

Bunkers heating
reminder

IMO revises benzene
standards

Fake Suez invoices

Smuggled Iraqi oil



Beware sudden rain in Thailand

The rainy season in Thailand has coincided with reports reaching the Club of claims involving bagged rice cargoes loaded at Koh Sichang.

water has come into contact with the top layers of the stow in some of the holds, and claims have been raised for wet damage to the cargo.



The difficulties appear to be connected with local requirements that vessels be available for loading 24 hours a day. During recent incidents of sudden night-time rainfall, there have been a number of examples of crews being unable to close all their vessel's hatches in good time. As a consequence, rain

P&I correspondent, Maritime Services (Bangkok) Ltd, says these claims serve to emphasise that only hatches being worked should remain open, and highlight the need for the availability of sufficient deck crew to assist promptly with their closure, if necessary.

Bunkers Heating Reminder

A recent claim underlines the need for care in heating fuel oil in tanks adjacent to cargo spaces.

The receivers alleged that a bulk cargo of soyabean meal sustained damage resulting from heating of the vessel's double bottom fuel tanks, during a long sea passage. And although investigations into the cause of the damage are continuing, emerging evidence indicates that the impact of the fuel heating, on the cargo in the holds above, may

not have received proper consideration when the ship's staff took decisions on the extent to which such heating was required.

Certain grades of fuel oil will often require heating on passage. But this claim serves as a reminder of the importance of careful consideration of all the potential repercussions involved - so that allegations of cargo overheating are kept to a minimum.

IMO revises benzene safety standards

IMO's Maritime Safety Committee (MSC) has revised the minimum safety standards governing the carriage by sea of bulk liquids containing benzene.

In 1992, the MSC recognised the risk of long term exposure to very low concentrations of benzene in the air causing leukaemia. In 1996, it approved minimum safety standards for ships carrying mixtures in which the benzene content was 0.5 per cent or more. Now, noting continued concern, the IMO has further revised the minimum safety standards.

The new standards for ships carrying liquids in bulk containing benzene include particular guidance on information to be given to the master and crew, occupational exposure limits, air quality monitoring, personal protection equipment and its maintenance, entry into enclosed spaces, training, medical monitoring, ship/shore connections, precautions during cargo operations, controlled tank venting systems, cargo measurements and sampling, and contaminated clothing. The changes also focus on loading and gas-freeing operations. Details are set out in IMO MSC circular No 1095 which can be accessed at:

www.imo.org/includes/blastDataOnly.asp/data_id%3D7511/1095.pdf

IMO recommends that the revised guidelines be applied as soon as possible.



Cats cause wear in marine diesel engines

THE Club has received recent reports of incidents involving excessive wear in marine diesel engines caused by catalytic ('cat') fines in fuel oils.

Maritime Consultants, Gordon Marine & Co say, "Cat fines in marine fuels can become embedded in piston ring and cylinder liner surfaces, resulting in increased wear, usually over a prolonged period, but sometimes within a matter of hours. And extensive damage can result, typically requiring renewal of the piston rings and honing of cylinder liners, to remove any fines that may have become embedded in the liner walls.

Routine independent analysis of fuel – before burning, if possible – is beneficial and the risk of such wear should also be minimised by the reduction of cat fine levels at the engine to 15 mg/kg, or less, (depending on tolerance levels). But cat fines tend to be attracted to water droplets, so



Cats can result in excess engine wear

can be difficult to remove from fuel. Measures which should assist that process include purification by operating two centrifuges in parallel with slow throughput at 98°C, along with regular fuel filter cleaning.

Other steps to help reduce the risk of excessive wear involve regular draining and inspections of settling and service fuel tanks – to check for cat fines accumulation – with cleaning performed as necessary."

Sewage regulations enter force

The regulation covering the prevention of pollution by sewage from ships contained in MARPOL Annex IV took effect on September 25 this year. However, IMO has recommended that parties to this annex now apply a revised version instead – although this is not due to enter into force until July 2005. Since some parties may be unable immediately to introduce the revised version into their domestic legislation, IMO has also asked parties not to apply the current requirements to foreign

flagged ships that will be exempted under the 2005 version, nor to apply punitive measures during the transitional period until that revised Annex 1V comes into force.

Clarification of these requirements should be sought from the vessel's classification society. And further details of the current and revised Annex 1V, as well as their application, can be found on the IMO website:

www.imo.org

BIMCO warning on fake Suez invoices

The Club has received further news of problems involving fake invoices in Egypt – previously reported in *StopLoss 18*.

BIMCO has reported an incident of fake invoices being issued by a company for services allegedly provided to a ship after a Suez Canal transit. The invoice appeared on the letterhead of 'Delta Marine Safety', but both the BIMCO member involved, and the Port Said agent, reported that it was fraudulent.

The Chairman of the Suez and Red Sea Chamber of Shipping advised BIMCO that any licensed company providing ships services must co-ordinate its activities via the ship's port agent. Direct invoicing is not permitted – and punitive measures will reportedly be taken against local companies found in breach of that regulation.

Meantime, BIMCO members are invited to submit for evaluation any invoices which are the subject of concern to:

tt@bimco.dk

Model security



THE International Chamber of Shipping (ICS) has published a Model Ship Security Plan to help shipping companies prepare these plans in compliance with the

ISPS code. The guide is on sale from the ICS. Applications to:

shantel.ryan@marisec.org



Italy brings in new shipboard waste rules

New requirements affecting the collection of shipboard waste are now in force at all ports in Italy, in line with latest EC directives.

The rules require vessels to provide harbour masters with details of onboard waste at least 24 hours prior to arrival. In particular, information is required about the type and quantity of waste being delivered and kept on board, together with the vessel's maximum

onboard waste storage capacity. If the vessel intends to discharge waste at the port, proper disposal arrangements must be made, and further detail will be required about the nature of the waste, e.g., food waste, sanitary waste, plastics, cargo waste.

BIMCO members can access additional details of these requirements on their website section 'Port Related – World Ports'.



EC rules on shipboard waste collection have been introduced in Italy

New procedures at Khor Fakkan

New procedures have been introduced for vessels prior to arrival at Kalba Anchorage in the UAE port of Khor Fakkan. The port authorities now require all vessel particulars and the purpose of a ship call to be faxed to them, and all masters must contact the port control office for permission to anchor, then to confirm that they

have anchored, and to confirm their expected time of departure.

All vessels off Kalba will be issued with an anchorage identification number, which should be communicated to the coast guard on demand. Ship agents, meanwhile, will be held responsible for pollution, or for any violation of local regulations arising while vessels are at the anchorage. Bunkering at the Kalba anchorage is permitted, but ship-to-ship cargo transfer is not. (GAC Sharjah)

Warning on dangers of smuggled Iraqi oil

STOLEN and illegally sold oil from Iraq could cause serious damage to machinery and could, in extreme cases, cause catastrophic equipment failure with an attendant risk of injury or death to its operators, according to a report published by Intertanko.

Intertanko quotes the Maritime Liaison Office in Bahrain, which says the coalition authorities in Iraq report that, "Product segregation and other quality control measures are virtually non-existent in the theft and smuggling network that delivers Iraqi petroleum products to illicit markets. Varying grades of gas oil, diesel fuel and kerosene are mixed indiscriminately, resulting in off-spec properties, and particularly lowering the flash point and increasing fire hazards.

"Significant quantities of product being sold as fuel oil (typically IFO 180) are in fact crude oil, or blends of fuel and crude oil. Typical impurities in Iraqi crude oil can cause greatly increased wear and fouling in burner and engine fuel systems."

The coalition authorities say these hazards can be avoided where the oil has been exported under contract with the State Oil Marketing Organisation (SOMO). They also report that checks into whether Iraqi oil consignments are exported under the approved contracts can be conducted through SOMO, by fax on +873 763 705 020.

PUBLISHED

on behalf of The London Steam -Ship Owners' Mutual Insurance Association by A. Bilbrough & Co. Ltd.,
50 Leman Street, London E1 8HQ, UK.
Tel: +44 (0) 20 7772 8000
Fax: +44 (0) 20 7772 8200
E-mail: comms@a-bilbrough.co.uk
www.lssocom

EDITED BY

Chris Hewer,
Merlin Corporate Communications,
11 Kingsland Court,
Three Bridges Road,
Crawley RH10 1HL, UK
Tel: +44 (0) 1293 55 00 44
Fax: +44 (0) 1293 55 04 04
E-mail: wizard@merlinco.com

PRINTED BY

Stuart Vaux Associates,
Chiltern Lodge,
38 Clifton Road, Amersham,
Buckinghamshire
HP6 5PP, UK.
Tel: +44 (0) 1494 726593
Fax: +44 (0) 1494 727380
E-mail: sales@svaux.com