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Talkback: Issue 3

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A BULLETIN FOR
SURVEYORS, CONSULTANTS
AND CORRESPONDENTS

Talkback: Issue 3

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Introduction

Welcome to Talkback, a periodical bulletin for marine surveyors, consultants and correspondents.

In this issue we will look at steel preload surveys and their importance. The value of some steel cargoes, particularly finished steel cargoes, can total several million US dollars.

The steel preload survey plays an integral part in providing evidence on the condition of the cargo on shipment as well as verification of the weathertightness of cargo hold hatch covers and other closing appliances; evidence which will prove essential in defending any claim raised for damage.

It is therefore vital that the quality of both the actual survey and the subsequent reports are to a high standard. In this issue we will look at some of the fundamentals of these surveys and the common problems encountered.



Mooring incidents resulting in injuries to crew members continue to occur. In this issue we discuss the identification of snap-back zones on mooring decks and the appropriateness of permanently marking them.

As we often repeat, the success of defending a claim, pursuing a recovery or fighting a dispute will depend upon the quality of evidence. The surveyor and their reports play a considerable role as part of the Claims Handler's arsenal of material.

Therefore, it is essential that a surveyor has the necessary expertise to not only carry out the survey but also give credibility to their report and opinions. We discuss the issues that may arise if a surveyor is acting outside their area of expertise.

Finally, we bring you an update on the future amendments to the International Group of P&I Clubs' condition survey report formats which will now include tugs and barges.

Steel Preload Surveys

In very general terms, a steel preload survey is advisable when the cargo is a finished or semi-finished product. They are quite often packed or wrapped, but by definition they are products that will not undergo any or limited further processing.

Each year around 400 steel preload surveys are carried out at the request of North on behalf of our Members. In 2013 alone, 82 were carried out in China, 31 in Korea, 28 in Italy and 25 in Japan.

With the high numbers of steel cargoes being carried, along with their relatively high values and sensitivity to damage, it is essential that preload surveys are undertaken satisfactorily and the generated reports are of a high standard.

A steel preload survey fulfils a number of objectives, including:

- Assisting the crew to ensure the mate's receipt and the bill of lading accurately reflect the apparent order and condition of the cargo prior to loading.
- Providing an independent verification of the cargoworthiness of the vessel at the commencement of voyage.

The Need for Surveys

Steel cargoes, as well as most other cargoes, are carried under a contract of carriage which almost always incorporate one of the major international carriage conventions; most commonly the Hague-Visby Rules.

The Hague-Visby Rules include provisions that set out the carrier's obligations and responsibilities as well as any defences available to them in the event of loss or damage.

One of the most pertinent rules (Article III Rule 1) state that the carrier has an obligation to exercise due diligence to make a vessel seaworthy at the commencement of voyage:

"The carrier shall be bound before and at the beginning of the voyage to exercise due diligence to:

- Make the ship seaworthy*
- Properly man, equip and supply the ship*
- Make the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation."*

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Seaworthy means the ship is fit to undertake the particular voyage and is fit to carry the particular cargo on that voyage – **therefore being seaworthy implies being cargoworthy.**

The best evidence available to a carrier and their insurer to prove seaworthiness is a recent and independent hatch cover survey and weathertightness test. We will revisit hatch covers and weathertightness later in this article.



The importance of properly describing the apparent order and condition of the cargo is related to Hague-Visby Rules - Article III Rule 3 which includes provisions for the carrier to issue to the shipper a bill of lading showing, among other things, "the apparent order and condition of the goods".

The consignee relies on the Master's description on the order and condition on the bill as a proper reflection of the actual order and condition of the cargo. If a 'clean' bill of lading is issued and damage is noted upon discharge, then it will be assumed that the damage occurred whilst on board the vessel and under the care of the carrier.

It is therefore vitally important that the bill accurately reflects the apparent order and condition of the cargo.

Again, the best evidence is an independent assessment of the cargo which can form the basis of the mate's receipt and aid the Master in checking and signing the bills of lading, clausing where necessary.

Your instructing principal should be consulted for their reporting requirements. North's position is that we require two written reports, one addressing the apparent order and condition of the cargo and the other recording the hatch cover survey.

Describing the Cargo

The apparent order and condition of the cargo at the time of shipment (i.e how it was received on board) must be described accurately. There is no requirement under the Hague-Visby Rules to describe the quality of the cargo.

The cargo should be inspected before loading onto the vessel. It should also be noted how the cargo was stored prior to loading and if it was suitably protected or if it had been exposed to the elements.

Most steel products are prone to rust and mechanical damage. But for the purposes of drafting mate's receipts and clausing bills of lading, it is not appropriate to describe the apparent condition of a cargo as simply "rusty" or "damaged".

In fact there are 18 recommended clauses that describe the surface condition and 16 to describe mechanical damage to the cargo, all of which have been agreed by the International Group of P&I Clubs. Furthermore, it is not acceptable to describe the cargo as "superficially rusty" or "atmospheric rusting".

Details on these descriptions can be found in our loss prevention guide "Steel Preshipment Surveys – A Guide to Good Practice".

This publication can be purchased at Witherby Seamanship: www.witherbyseamanship.com/

The guide has a number of photographic examples but the following shows a small selection.



Wrapped coil with streaky rust brought about by dripping water from 'cargo sweat'.
Surface-condition clause: packing rust stained, streaky rust indicates previous contact with water.



Plates - Surface-condition clause: rust with pitting.

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Nest of beams - Mechanical-damage clause (left hand beam): flange bent in one position at end.



Coil damaged by forklift - Mechanical-damage clause: edges buckled at outer circumference where handling gear marked. Affects six windings.

During the survey, it is essential that the attending surveyor takes a sufficient number of good quality photographs to complement the written descriptions as part of their report. The old adage of "a picture paints a thousand words" is never truer than when describing damage.

Much of the cargo will have identification marks, such as labeling on the packaging or steel mill markings directly applied to the steel. If packages have these identifying markings, then make reference to them when reporting damage. This allows easy identification of what was and what wasn't pre-shipment damage if disputes occur at discharge.

Under no circumstances should a surveyor advise the Master to agree to accepting a letter of indemnity (LOI) in return for issuing a 'clean' bill of lading. Such LOI's cannot be relied on and it can be argued that issuing a 'clean' bill of lading when it is known that it does not truly reflect the apparent condition constitutes a fraudulent act.

Nor should a surveyor advise the Master to agree to issuing a

'clean' bill of lading under a note of protest. Not only does the note of protest have limited, or even no effect, it can actually worsen the carrier's position as it can be construed to be an admission that the Master was aware of the condition of the cargo but chose not to include this fact in the bill of lading.

Stowage and Securing

The party responsible for the loading, stowage and securing of the cargo will depend on the contractual arrangements in place, such as the relevant charterparty. However, the Master has the overriding responsibility to ensure the vessel remains seaworthy, and if the stowage of cargo affects the seaworthiness of the vessel then the Master must act accordingly.

North's standard instruction to surveyors for steel preload surveys gives clear guidance on the appointed surveyor's role with regard to stowage and securing. If the surveyor has concerns regarding these arrangements then it should be conveyed to the Master and the P&I Club immediately. But the surveyor must not supervise or give instruction on the stowage or lashing arrangements.

Steel cargoes invariably come in all different sizes, weights and configurations and the subject of stowage and securing cannot be condensed into a couple of paragraphs.

North's loss prevention guide "Cargo Stowage and Securing" includes detailed information on the subject.

Testing for Weathertightness

As mentioned earlier in this article, the purpose of the hatch cover survey is to provide evidence of the due diligence exercised by the carrier to make a vessel seaworthy at the commencement of voyage.

Essentially this means that the holds are suitable and ready for the cargo and that the hatch covers and other deck closing arrangements to the cargo holds are weathertight in the dynamic condition.

A common mistake is the erroneous application of the terms "weathertight" and "watertight".

The Load Line Convention states:

"weathertight" in relation to any part of a ship other than a door in a bulkhead means that the part is such that water will not penetrate it and so enter the hull of the ship in the worst sea and weather conditions likely to be encountered by the ship in service'.

The definition of watertight relates to resisting penetration of water subject to a determined head of pressure. Therefore hatch covers are not designed to be watertight, only weathertight.

The hatch cover survey consists of a visual examination and a weathertightness test. The submission of only a leakage testing report without the support of a visual inspection is of

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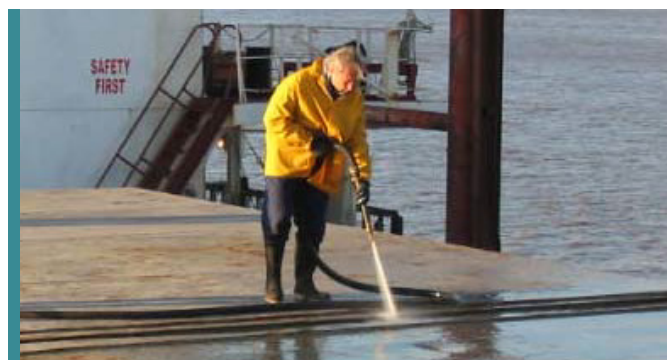
limited use.

North's standard instruction to surveyors for steel preload surveys provides a hatch cover survey checklist which represents the minimum scope required.

The survey should encompass an inspection of the hatch cover coamings, hatch cover panels, hold accesses and ventilators, cleats and wedges, all sealing arrangements as well as carrying out leak testing.

Testing for weathertightness is carried out by either the hose test method or by ultrasonic testing – preferably the latter.

A properly conducted hose test (see Class guidelines on how these should be carried out, such as minimum pressure, distance and direction) will show whether the physical contact between packing rubber and its mating surface is satisfactory



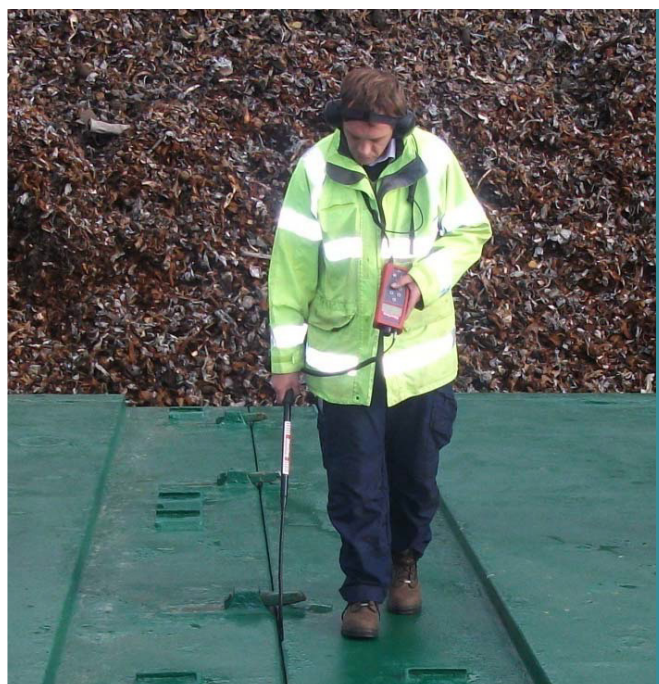
when in a static condition.

However, it will not show if the compression of the gasket is satisfactory. To achieve tightness when the ship is in a dynamic condition while at sea, it is important that the packing rubber exerts a required amount of compression on the compression bar.

There are of course other disadvantages of the hose test, such as the surveyor having to go inside the hold to look for leaks. The source of any leakage can be difficult to find in a dark hold and during this time they are unable to monitor the proper application of the water jet on the deck above.

Additionally a hose test may not be wise when the hold is already loaded with a water sensitive cargo.

The preferred method of testing for weathertightness is by ultrasonic means where a transmitter is placed in the cargo space and an ultrasonic signal received outside the space is measured.



The measured signal is compared against the Open Hatch Value (OHV) and a reading over 10% of the OHV indicates a lack of compression, which implies that the hatch cover is not weathertight.

The rationale behind the 10% standard lies in the fact that a loss of compression is allowed for in the possible movement of the hatch covers when the ship is in the dynamic condition.

Advantages of this type of testing include:

- No risk of damaging water sensitive cargo
- Quick and easy means of testing that can be carried out by a single person, and minimal assistance from the ship's crew is required
- No pollution risk.

The recording of test results should follow the template included in North's instructions to surveyors. Vital information includes the type of testing equipment used, the open hatch value(s) and details of any leakage points over 10% of the OHV stating:

- a) The location of the leak
- b) The length of leakage area (or spot leak)
- c) The magnitude of the leak in db (and preferably % of the OHV).

Marking the non-return drain valves as being free from obstruction is recommended but please do not list measurements that are under 10% of the OHV as this can cause confusion.

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The written report that accompanies the test result sheets should describe the surveyor's opinion on the cause of the leakage points (missing gasket, damaged cleat, misalignment etc).

If the crew are unsure on how to proceed with repairs, then your expertise and guidance can prove extremely beneficial to them. Help the crew understand why there is leakage and give advice on how they can carry out effective permanent repairs.

When advising on repairs or assessing the rectification work carried out by the crew, please remember that repairs must be PROPER and PERMANENT.

Temporary repairs are not acceptable. Examples of unacceptable temporary repairs include:

- Short inserts (less than 0.5m is not advised)
- Improper use of backing strips (i.e. placing them on the sealing face of the gasket)
- Silicone sealant applied to gasket and/or compression bar
- Application of expansion foam
- Application of marine tape (i.e. Ramnek).

It is therefore vital that any recommendation made by you does not include the use of foam or marine tape. Under no circumstances should this be the agreed means of rectifying leaking hatch covers.

However, the presence of expansion foam and marine tape does not automatically mean an admission of a lack of weathertightness. Some charterers insist on its application regardless. Foam and tape are acceptable as a supplemental measure but never as a substitute for properly maintained weathertight hatch covers.

North has published loss prevention briefings on hatch covers and weathertightness testing and can be downloaded from: www.nepia.com/latest/all-publications/

A quick reference Hot-Spots guide can also be found at: www.nepia.com/latest/all-publications/

The Hot-Spots shows some of the most commonly found defects relating to hatch covers, such as worn bearing pads, missing gaskets, short inserts and excessive permanent set.



Snap-Back Zones

There are different schools of thought on the permanent marking of snap-back zones on mooring decks. Some companies and organisations promote the permanent marking on deck of these zones. As a result, many surveyors now note the absence of permanent marking as a defect when carrying out Club condition surveys.



North's advice is that snap-back zones should be discussed and identified during a toolbox talk before every mooring operation, but they should not be painted or permanently marked.

Our reasoning behind this is that these zones change depending on the different mooring configurations. The marking of these zones may not be correct for the actual mooring operation being undertaken and may lead to a false sense of security.

However, permanent marking of these zones may be beneficial in certain circumstances such as when the vessel is moored at the same berth in the same method each time.

The following extract is from the United Kingdom Code of Safe Working Practices for Merchant Seaman:

25.3.10 When moorings are under strain all personnel in the vicinity should remain in positions of safety, i.e. avoiding all 'Snap-Back' Zones. It is strongly recommended that a bird's eye view of the mooring deck arrangement is produced (an aerial view from a high point of the ship can be utilised) to more readily identify danger areas. Immediate action should be taken to reduce the load should any part of the system appear to be under excessive strain. Care is needed so that ropes or wires will not jam when they come under strain, so that if necessary they can quickly be slackened off. Where a mooring line is led around a pedestal roller fairlead, the 'Snap-Back' Zone area will change and increase in area.

You will notice that there is no explicit reference to the permanent marking of snap-back zones, only a need to identify them.

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Are You Experienced?

Those of you who had the good fortune or misfortune (depending on how you view it) of standing in a court room in the capacity of an expert witness, or had a report scrutinised by lawyers, will know that a key question will be along the lines of what makes you qualified to speak as an expert or an authoritative figure?

Opposing parties can look to discredit each other's appointed surveyors' opinions so it is important for the success of a claim or dispute that these opinions hold suitable weight.

How does another party look to discredit a surveyor's report? Tactics employed include looking for:

- Spelling mistakes or sloppy reporting
- Technical errors and incorrect terminology which may suggest insufficient knowledge in the subject
- The surveyor's experience is lacking in the particular subject field
- Stating opinions that are not supported by fact
- Throwaway comments

As we mentioned in Issue 2 of Talkback (January 2014), a good rule of thumb is not to include anything in a report that you would not be prepared to stand up and say in a court of law.

In the maritime industry it can be difficult to assess whether someone has the requisite experience and qualifications to speak authoritatively on a subject. Marine surveyors and consultants need to have a wide and varied knowledge quite simply because the nature of casualties and incidents are wide and varied. This can result in specialties becoming hard to come by, and this is recognised.

However, we do come across cases where survey companies appoint surveyors to attend and it is readily apparent that the attending person does not have the required experience in that particular field. This also sometimes occurs when a surveyor has been instructed by the correspondent.

If you are instructing a surveyor to attend a particular incident or you are responsible for making that instruction or designating the work, please ensure the person attending is the best fit for the job.

Condition Survey News

The International Group sub-committee on ship standards met recently and agreed various amendments and additions to the condition survey report formats. These will form Version 8.0 and will go live in forthcoming months.

The major addition is the introduction of a report format for tugs and barges. There have been minor amendments to the reports for other vessel types, namely the submission of a crew list with the report and a new question in Part B relating to the ship's critical equipment list.

As always, ensure you are using the most up-to-date format and avoid keeping templates on your computer as these may become out of date.

Survey packages are downloaded from our website, which can be accessed at www.nepia.com/about-us/what-we-do/loss-prevention/survey/

Feedback

We value your feedback and welcome your thoughts and comments on Talkback.

If you have not had a chance to read the previous issues, then please note that they are still available on our website at: www.nepia.com/latest/all-publications/

Are there any trends you have recognised and wish to share? Do you know of any local issues and developments that will be of interest to our membership and to other survey companies, consultancies and correspondents? Please let us know by emailing us at loss.prevention@nepia.com

Note to Correspondents

Club Correspondents – thank you for your assistance disseminating the previous issues of Talkback. Please continue to distribute this publication and future issues to the survey companies, consultancies and experts that you appoint on behalf of North and its Members.

Together we can raise awareness of the issues in the industry and share our knowledge.

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