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Talkback: Issue 5 July 2015



A BULLETIN FOR
SURVEYORS, CONSULTANTS
AND CORRESPONDENTS

Talkback: Issue 5

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Introduction

Welcome to issue 5 of Talkback, a periodical bulletin produced by North for marine surveyors, consultants and correspondents.

In this issue we will look at bunker surveys and the importance of determining bunker quantity by carrying out and reporting these surveys fully and correctly.

Deaths and serious injuries caused by dangerous atmospheres in enclosed spaces continue. We discuss what you can do to help in preventing these tragedies from occurring on board ships and the importance of leading by example.

We also discuss the usefulness of acquiring a crew list during a survey on board a vessel and how it helps us in our loss prevention work.

The challenges facing surveyors in protecting their instructing principals' interests are briefly addressed in this issue. In the event of an incident the control of access to the crew and data may need to be effectively managed.

We have our regular update on condition surveys where we are pleased to advise that North's survey format for the inspection of tugs and barges will form the basis of a standard report that can be used by a number of other International Group P&I Clubs in the near future. We have also taken the opportunity to provide a reminder on the scoring criteria to ensure it accurately reflects the apparent condition of the vessel.

Remember, back issues of Talkback are available for download from our website at: www.nepia.com/latest/all-publications/

Bunker Surveys

"The success of any bunker quality or quantity dispute will depend upon the quality of evidence collected in support of the claim."

A common area of dispute that arises between vessel owners, charterers and suppliers is that of bunkers; in particular differences between the parties over quantities on board at time of vessel delivery, re-delivery and any bunker stems during the charter period.

Under the terms of many time charterparties, the charterer will be responsible for providing the necessary fuel for the vessel to burn and this fuel effectively remains the charterer's property, subject to any retention of title clauses.

Most disputes between owners and charterers come to light at the end of the charter period when the final hire calculations are negotiated, and this may include a remittance to charterers for any remaining bunkers on board the vessel or an additional payment to owners if any of their own fuel was consumed during the charter period.

Despite bunker prices being relatively low at the time of writing, discrepancies and disagreements on the quantities onboard the vessel can lead to disputes involving tens of thousands or even hundreds of thousands of dollars.

When handling a dispute over bunker quantities, one of the most vital pieces of evidence is the bunker survey report and the importance of its accuracy cannot be overstated.

Bunker surveys are usually carried out by independent surveyors at time of vessel delivery and re-delivery (or as close as possible to these times) as instructed by the vessel's owner or the charterer to establish the quantities on board the vessel.

An independent surveyor may also be requested to attend and carry out a survey for any bunkering operations during the charter period or if a dispute has arisen over quantity upon the completion of bunkers or there has been an allegation of cappuccino bunkers.

A poor or an incomplete survey or report that lacks detail or contains errors can significantly influence the ability of an owner or a charterer to successfully bring forward a claim or defend a dispute. Unfortunately we have seen many occasions where this has happened and as a result the Club's ability to assist a Member is hampered.

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The most common errors and omissions we see are:

- *Failing to check the contents of bunker tanks that are not nominated for use*

All of the vessel's bunker tanks, including the overflow tank should be measured, regardless of whether the survey is for the purpose of delivery, re-delivery, pre-bunkers or post-bunkers.

When bunkering fuel from a barge, it is very important that all of the barge's tanks are verified by the surveyor and the receiving vessel's C/E and that this is witnessed by the barge master. This applies to checks made before and after the bunkering operation.

- *Not correcting for trim and heel*

It is unlikely that the vessel and/or bunker barge will be at even keel during the survey therefore the correct tank contents (by volume) can only be ascertained by proper use and interpolation from the respective vessel's sounding tables (also referred to as tank calibration tables).

- *Relying on vessel's or barge's own measurements and calculations without checking*

The surveyor should measure, or at least witness the measurement of the tank contents and make their own calculations.

- *Incorrect use of correction factors*

ATSM tables (e.g. Table 54B) should be used in order to calculate the mass of bunkers (MT) from the total observed volume (m^3), correcting for temperature and density. Be aware that if the wrong densities and/or temperatures are used then it can make a considerable difference to the calculated mass.

- *Vague or incomplete reporting*

Reports that state only final figures and omit details of measurements, temperatures, densities and applied correction factors are of limited benefit. In the event of a later dispute, the report may be scrutinized to help identify any

discrepancies and when they occurred.

- *Providing only the bunker quantities as estimated at time of delivery/re-delivery*

The report should also provide the actual values at time of survey as well as detailing the method of calculation for the expected consumption between the time of survey and time of delivery/re-delivery.

- *Arithmetic Errors*

Simple arithmetic mistakes can lead to confusion and time consuming efforts to identify why the figures do not correlate.

The bunker survey should be carried out in accordance with industry best practice and any relevant local legislation such as the Singapore Standard Code of Practice for Bunkering SS 600.

When carrying out a bunker survey, the ship's crew should be reminded that the presence of an independent surveyor does not detract their own responsibilities and that they should also measure and calculate quantities as per their own written procedures. It has been noted on occasion that upon attendance of a surveyor the crew have taken a step back and relied solely on the surveyor's figures. This may contravene their own safety management procedures and does not allow for a check against the surveyor's calculations, which may contain errors.

A surveyor's vigilance and expertise is invaluable during bunkering operations, particularly in ports where the more disreputable bunker supplier may employ certain practices in order to deceive the receiving vessel.

If there are suspicions or concerns on the bunker barge's system then bring this to the attention of the receiving vessel's Chief Engineer. This may include lines that return fuel to the barge's tanks after first passing through the flowmeter, unusual line blowing arrangements (cappuccino bunkers) and modified measuring equipment such as sounding dip tapes. It is appreciated that some of the tricks used by some bunker suppliers, such as doctored tank calibration tables or hidden compartments within tanks are extremely difficult to spot. If there are concerns then consider advising the receiving vessel's master to issue a Letter of Protest.

However it is not just during bunkering that underhand tactics may be in play. There have been widespread reports of ship's crews hiding fuel from surveyors and inspectors, most commonly by using inserts (sometimes referred to as "magic pipes") in tank sounding pipes. Be alert to freshly disturbed paint or freshly applied paint on the bolts and flanges of tank sounding pipes.

Comprehensive advice on best bunker practice can be found in the North's loss prevention guide *Marine Fuels: Preventing Claims and Disputes*.

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Enclosed Spaces

Fatalities and serious injuries in enclosed spaces continue to happen with relentless regularity despite the introduction of modern safety management systems, procedures and techniques.

Incidents are not limited to people who did not know any better - these often involve experienced senior personnel, and almost every one of which could have been prevented if the correct procedures had been followed.

Data on enclosed space incidents as provided by the Marine Accident Investigators' International Forum (MAIIF) for the 1998 to 2009 period shows that the two most common incident locations are the cargo holds of bulk carriers and general cargo ships and the cargo tanks of oil and chemical tankers.

The statistics also show that almost half of the deaths and injuries relate to oxygen depletion rather than toxic atmosphere.

It could be that there is a general perception on board bulk carriers that the cargo does not present a hazard and that the holds are not normally dangerous to enter. However, this could not be further from the truth, cargoes such as, but not limited to, timber and steel scrap can deplete the oxygen concentration to such a low level that human life cannot be sustained.

Where incidents occur in locations where the hazards presented by the internal atmosphere are well known, such as cargo tanks, ignorance of the dangers seems less likely. Behavioral factors come in to play and there needs to be an understanding why crew members continue to violate procedures. We would be very interested to hear your views on the behavioral aspects.



We call on surveyors and consultants who attend on board vessels to help in preventing further deaths. If your attendance involves an entry into an enclosed or confined space or a space with a potentially dangerous atmosphere then consider the following points:

- Always consider your own safety and satisfy yourself that the space has been made safe, a permit to work is in place and that shipboard procedures are suitable and are strictly adhered to by the crew.
- Ensure rescue arrangements are in place and in good condition.
- Use fully operational and calibrated atmosphere measuring devices suitable for the space and atmospheric hazards.
- Ensure atmosphere measuring devices are used prior to entry and remain in use throughout the entry.
- Check access arrangements such as ladders are in a safe condition and barriers fitted as necessary to prevent accidental falling.
- Lead by example. If an attending surveyor, consultant or expert does not adhere to best practice then this may influence the behavior of the crew in the future.
- If you see an unsafe practice, do not be afraid to step in and bring it to the crew's attention. You might save someone's life.

Remember, if you are carrying out a condition survey, it is not just the internal condition of the entered space you are assessing - you must also use it as an opportunity to check the shipboard entry procedures and the crew's actions. If the system and equipment in place are not safe or the procedures are not being followed by the crew, do not enter the space. It should be brought to the attention of the crew immediately and marked as a defect in the report.

Crew List

Incidents and accidents that lead to claims continue and we in loss prevention are always looking at how these can be avoided.

In order to prevent incidents from happening it stands to reason that we need to know why these incidents occur.

An important aspect that we consider when reviewing incidents is the human element and in order for us to analyse this to best effect, the more details we have about the crew the better. Knowing the size and makeup of the complement, the nationalities and age/experience profiles helps us identify any trends or commonalities.

We would like to stress the importance of collecting a copy of the crew list during your survey. It may not always be apparently relevant to your own investigation but making it a standard document to request during your attendance and including it in your survey report can help us long term.

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Protecting Your Principal

When accepting an instruction it is vital that you know who has instructed you and whose interests you have been asked to protect. In the immediate aftermath of an incident this is not always readily apparent but when access to confidential information and custody of evidence needs to be controlled it is very important to know which party you represent.

If instructed by a P&I Club it is most likely you will be appointed on behalf of the vessel's owner or time charterer. When attending for the owner you may be requested to assist the master and this will include controlling the access of other surveyors. This may involve restricting access to the crew when statements are being sought, or preventing viewing or taking copies of ship's documentation.

The same principles apply with refrigerated containers and their stored data. In the event of an allegation of damage to a reefer cargo, which by its very nature will be temperature and/or atmosphere sensitive, there will be a need to download and scrutinise the reefer container's data.

However, this data remains the property of the container owner/operator which is not necessarily the same party as the carrier and nor is it the property of the cargo shipper or receiver.

It is relatively simple for a person with the correct data cables and computer software to connect to a reefer container control unit and download this information. But it must not be carried out unless proper authorisation is given and attending surveyors should be aware of this.

If a surveyor or other attending party is attempting to access the data download without authorisation then it should be raised and reported as appropriate.

Condition Survey News

Following recent consultation within the International Group of P&I Clubs Ships Technical Committee, it has been agreed that North's Tug and Barge forms will be included in the IG Condition Survey Format after some minor amendments are made.

Already in use by North and available on our website, these include forms for tugs, dry cargo barges and wet cargo barges.

We would like to take the opportunity to remind surveyors carrying out P&I condition surveys of the scoring criteria in Part A of the report.

A common observation is inconsistent scoring which do not seem to correlate with the number and nature of defects and often contradicts photographic evidence.

The criteria for scoring should be applied as follows:

1. *Excellent condition in all respects and managed in accordance with industry best practices*
2. Good condition and vessel managed to a good standard; may require only minor remedial measures

3. Fair condition but considered acceptable subject to a number of remedial measures
4. Poor condition and/or poor vessel management standard; may require serious issues to be addressed immediately
5. *Very poor condition and/or very poor vessel management standard; may present unacceptable risks that require immediate attention*

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/our-services/loss-prevention/survey/

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