

International Salvage Union Associate Members' Day 2013

Communications update

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Media relations

SALVAGE
JULY/AUGUST 2012

Criminalisation, pollution and the salvor

Andreas Tsavlaris, of the International Salvage Union, warns of the growing criminalisation of seafarers

Criminalisation following marine incidents is a real concern. The International Salvage Union (ISU) believes this disturbing trend is counter-productive and in direct conflict with the goals of safer ships and cleaner seas. There are close links between the issues of criminalisation and lack of responder immunity for salvors and other emergency responders.

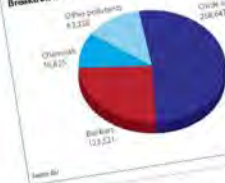
The maritime community has experienced some harsh lessons in the area of criminalisation in recent years, with the imprisonment of the master of the tanker *Evrosion*, in Singapore, followed by the confinement in Spain of the master of the *Pretoje* and the detention in Pakistan of seven crew members from the *Tasman Spirit*. In the latter case the salvage master was also detained. More recently the case of the *Hebe Spirit* became a cause célèbre.

There has been no real progress on responder immunity in the past decade. For example, International Maritime Organization (IMO) member governments rejected responder immunity when adopting the *Bunker Spills Convention*. This was a serious setback for salvors, as the removal of bunkers was the first priority in most salvage operations. At that time various IMO delegations admitted salvors. Yet salvors deal with the possibility of prosecuting salvors. They are also the only professionals that are not of their making. They are also the only source of the segment and expertise required to prevent spills when ships get into trouble.

Each year the ISU conducts a survey of its members' success in preventing pollution. The survey began in 1994 and in the 17 years to end 2011, ISU members saved 17,047,414 tonnes of oil and 12,071,047 tonnes of cargo of oil and had potential pollutants, as a percentage of more than 100 tonnes per year. This consists of 12,071,047 tonnes of cargo of oil and 1,060,704 tonnes of "other pollutants".

Not all of the pollutants were at imminent risk of leaking into the sea but there can be no doubt that salvors play a key role in the sea but there can be no doubt that salvors have been of great benefit in helping to protect the marine environment from potential damage. Some control

Breakdown of pollutants - tonnes



12 | Maritime Risk International



is given by the fact that in the US's worst environmental disaster, 200,000 tonnes of oil was released into the Gulf of Mexico in 2010.

Governments may well pay a stern price for the creating of a climate of fear through threat of criminalisation. Criminalisation and lack of immunity do nothing to encourage the kind of swift and decisive response which can prevent pollution costing billions and lives.

Criminalisation leads to a blame culture more interested in deceleration than prevention. In fact, criminalisation conflicts with the very essence of salvage operations. The 1988 Salvage Convention and the most commonly used salvage contract, Lloyd's Open Form, wherein salvors assume environmental damage responsibility to prevent or minimise environmental damage by salvors, are the most commonly used salvage contract. The IMO secretary-general, E. Erturk, has said that "Criminalisation of individuals caught up in major spills might be a deterrent to those who are engaged in major spills right from the start. It might lead to a perception of a lack of response to an incident, or at least a perception of a lack of response to an incident because of the uncertainty of the response. Criminalisation may end up depriving the maritime community of the services of agencies who play a key role in preventing accidents and, once they do happen, in mitigating their impact on human life and the environment."

A notable case was the 87,580 dwt *Tasman Spirit* which

Awards demanded



A separate environmental award should be capped and liability placed on the shipowner and not on the cargo interest'

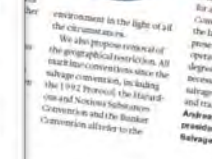
commercial partner using Lloyd's Form salvage contract produced 800,000 in an alternative method of awarding special compensation, which is a new kind of system which has been used in the case of the *Hebe Spirit*. The salvage system and the fact that the system has been used to award a special award to the crew of the *Hebe Spirit* has been a major step towards the creation of a separate environmental award. The IMO secretary-general, E. Erturk, has said that "Criminalisation of individuals caught up in major spills might be a deterrent to those who are engaged in major spills right from the start. It might lead to a perception of a lack of response to an incident, or at least a perception of a lack of response to an incident because of the uncertainty of the response. Criminalisation may end up depriving the maritime community of the services of agencies who play a key role in preventing accidents and, once they do happen, in mitigating their impact on human life and the environment."

Lloyd's 2011 has data collected since 1978 covering nearly 2,000 annual salvage revenue awards to an average of 8.17% of saved values. The highest year was 2005, when the average was 200%.

ISU 2011 pollution prevention survey



The ISU proposes the existing clause be removed and replaced by a separate award fund to be set up by the industry. The fund would be used to pay for the costs of preventing pollution damage to the environment. The ISU also proposes that the fund be used to pay for the costs of preventing pollution damage to the environment. The ISU also proposes that the fund be used to pay for the costs of preventing pollution damage to the environment.



environment that ISU thinks is more appropriate. An alternative here (that of the cargo interest) would be more acceptable but the ISU feels there really is no need for a separate fund at all. A key change would be to Article 1.4, special compensation. The existing article was amended in 1992 to provide for a separate fund to be set up by the industry. The fund would be used to pay for the costs of preventing pollution damage to the environment. The ISU also proposes that the fund be used to pay for the costs of preventing pollution damage to the environment. The ISU also proposes that the fund be used to pay for the costs of preventing pollution damage to the environment.

Salvage World



December 2012

ISU President holds talks with China's Minister of Transport

ISU President, Andreas Tsaviris, held talks with China's Minister of Transport, Xu Zu Yuan, following the Comité Maritime International's (CMI) conference in Beijing in October.

The in-depth discussions covered general shipping and salvage issues and in particular the issue of fair reward for salvors for the marine environment. Mr. Yuan said on behalf of China he was disappointed that the CMI decided not to support changes to the 1989 Salvage Convention. He made clear his support for ISU on the issue and expressed his hope that ISU will be successful in its continuing work on the matter with the P&I Clubs and others.

The minister also indicated that China welcomes further dialogue with ISU on matters of mutual interest. The growth of sea trade with China has expanded significantly in the last decade and salvage in Chinese waters is an important issue for salvors. China overhauling salvage business. China Rescue and Salvage is a member of the ISU.

Describing events in Beijing Andreas Tsaviris said "ISU is disappointed that the CMI Conference did not support



ISU President, Andreas Tsaviris (left) and China's Minister of Transport, Xu Zu Yuan

his proposals for modest change to the 1989 Salvage Convention. ISU is nevertheless grateful to those countries which did support change. I am also grateful for the supportive comments from China's Minister of Transport in my meeting with him and we will continue to

work to ensure that salvors are properly rewarded and that the framework which encourages innovation, investment and global readiness to intervene in casualty situations."

Car carrier disaster

On 5 December 2012, RoRo car carrier BALTIC ACE - 148 m, 7787 tonnes dwt - was in collision with the container ship CORVUS J in the southern North Sea while underway from Zeebrugge, Belgium to Finland, carrying a cargo of more than 1000 cars. The incident took place some 40 kilometres off the Dutch coast south east of Rotterdam.

After the collision BALTIC ACE began taking on water, capsized and sank within 15 minutes. CORVUS J was severely damaged and her bulbous bow was bent but she was not in danger of sinking and joined the search for survivors.

Bad weather made the rescue operation difficult. 15 crew, including the captain, were winched to safety by helicopters or picked up by nearby ships. The remaining 11 crew were either confirmed to have lost their lives or missing presumed dead.

Soltzer Salvage is to remove the vessel's bunker fuel and has chartered the SATISFACTION for dive support and the ITC MELTEM for standby and anchoring duties.

The incident echoes the sinking of the car carrier, TRICOLOR, which sank off France following a collision with a

container ship in 2002, while on passage from Zeebrugge to Southampton with a cargo of 3000 cars.

The wreck of the TRICOLOR was a major hazard to navigation and was removed by a consortium of Smit, Scaldis, URS and Multirship which conducted a lengthy operation.

Also in the North Sea, one man died and 11 crew members were injured from the standby vessel VOS SAILOR after it was damaged 120 miles off Aberdeen in bad weather. The vessel was towed to safety.

ASSOCIATES' NEWS

The ABR Company Limited

The programme for the next ITS Convention in Barcelona 28 May - 1 June 2012, puts salvage high on the agenda with several key speakers addressing salvage industry issues, including new ISU president Andreas Tsaviris. Salvage stalwart, Nick Sloane, will ask if salvors are ready for a catastrophic emergency, highlighting the new breed of super-ships and the risks if the industry cannot properly respond.

Simon Tatham, a partner at ISU Associate Member, Wirkborg Reed LLP, will explore the new 2010 Simco wreck removal contracts and the 2011 LOF. Moya Crawford, MD at ISU Associate Member, Ocean Salvage, will discuss how salvage can be implemented in

contract

In addition to the salvage component of this agreement, Donjon was also awarded a contract to supply the US Navy with Engineering Support Services worldwide bases. These contracts were competitively procured, with the US Navy Systems Command reviewing limited proposals.

"I am very pleased to continue my relationship with the US Navy as its principal marine salvage and engineering support contractor," said John Donjon, President, Donjon Marine. "We value the relationship we developed with the Navy since we first awarded the Salvage contract in 1979 and we stand ready to meet the needs of the US Navy." he continued.

Donjon has salvaged the larger ferry ROYAL MISS grounded on approach to the Virgin Islands. Its 400 ton capacity OMBIA NY to the side

with its 3000 HP tug MARY ALICE to lift the vessel from its grounded position. The recovered vessel was then loaded onto the deck of the derrick barge, lashed for seaworthiness, and delivered to Savannah, Georgia, where she was moved to a local shipyard for repair.



Above - DONJON's derrick barge, COCOBIA NY lifts the grounded ferry ROYAL MISS BELMAR



Intercargo

The International Association of Dry Cargo Shipowners (InterCargo) has launched the latest edition of its annual publication Benchmarking Bulk Carriers 2010-11. The fifth edition contains statistical information relating to the world's bulk carrier fleet. Port State Control deficiencies and detentions indicators such as collisions, groundings and casualties during 2010. The year's priority in the Gulf of Aden has impacted InterCargo.org. To order email: info@intercargo.org

Shipowners' Club

The Shipowners' P&I Club has announced a reorganization of its London branch. It includes setting up two internal syndicates bringing together both underwriters and claims handlers specializing in specific geographical regions. A third syndicate will focus on the offshore sector. Charles Hume, Chief Executive of the Club, said: "We believe [this] will ensure the Club's high service levels are maintained and indeed, enhanced."

Redwise

Redwise Maritime Services BV reports that it has transported 50 ships since the start of 2011 which it describes as a "remarkable year" for re-positioning ships under their own engine power.

Pictured below, the SALVALICES, which along with sister vessels BELEN and KONG to Baboia, via Honolulu. These three are three from a series of 14 units built by Cheoy Lee Shipyard of Hong Kong and all destined for the Panama canal.

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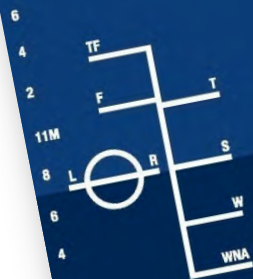
New members strives tuning Monitor



ISU website

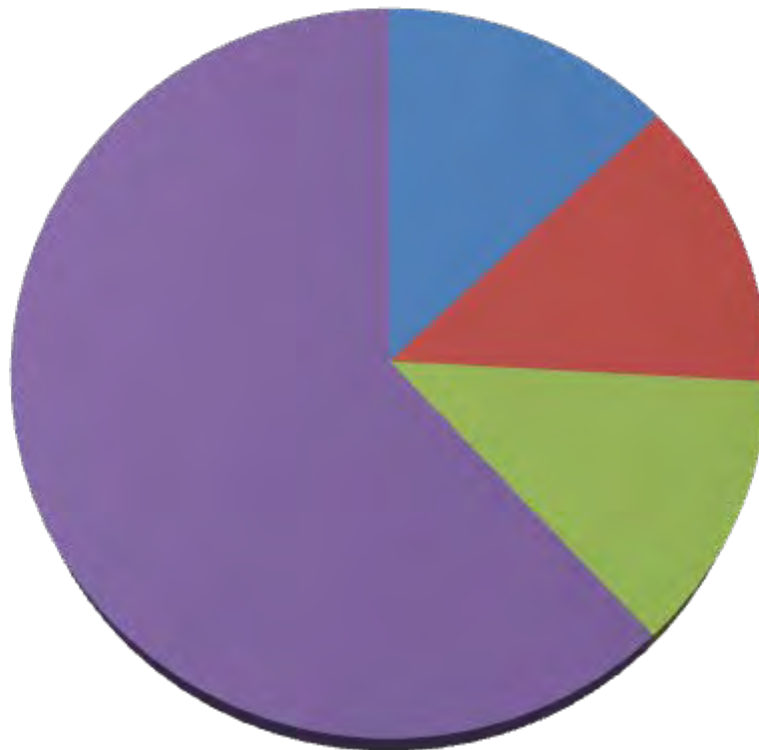


International Salvage Union
Annual Review 2012



ISU Pollution Prevention Survey 2012

Total salved 810,086 tonnes



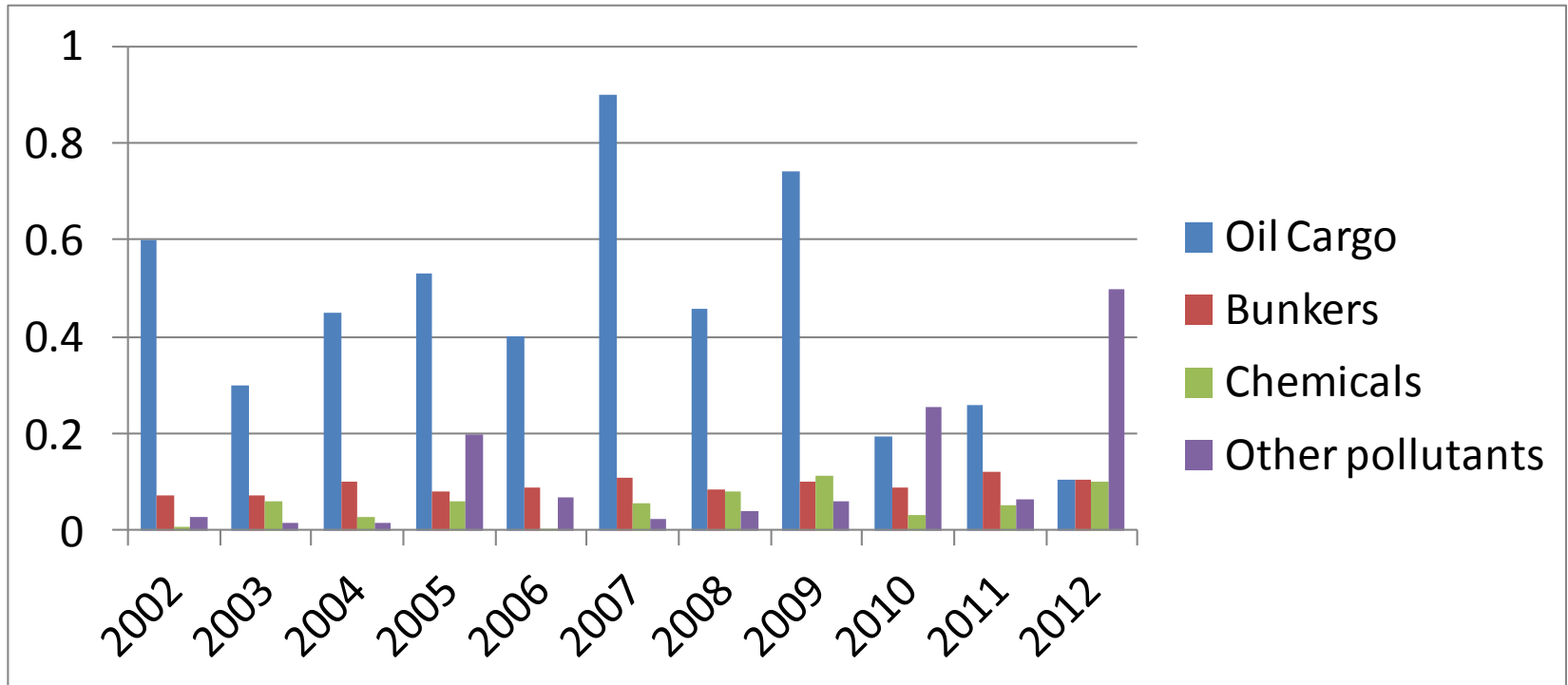
■ Oil cargo 104,665

■ Bunkers 105,058

■ Chemicals 99,015

■ Other pollutants 501,348

Trends 2002 – 2012 (million tonnes)



The key image



Exxon Valdez Spill: 37,000 tonnes (1989)



Salvage operations: 188

Pollutants salvaged: 810,086 tonnes (496,331 in 2011)

17,857,100 tonnes of potential pollutants salvaged 1994 - 2012

ISU Photo Competition 2012



2012 winner



ISU Meritorious Service Award

- Full members' employees; sub-contractors; exceptionally Associates' employees or public servants
- One or more individuals
- No limit on number of awards, no set frequency
- Beyond normal duty
- Benefit to the salvage industry
- Exceptional
- Rarity

Process

