



# The Porthole

Volume 23 No. 06

June 2023

The newsletter of  
the Company of Master Mariners of Australia,  
South Australian Branch

PO Box 1, PORT ADELAIDE, SA 5015

Branch Patron: Her Excellency the Honourable Frances Adamson AC



## Branch Master's comments

Good day to all,

I am back on deck once more after a holiday on the Continent of Europe followed by a stay in the U.K. to visit relatives. If I can bore you for a few minutes, my vacation might be of interest to some of the members because it was mainly based on the water - a river cruise taking in two of Europe's greatest waterways, namely the Danube and the Rhine. Starting at Budapest, my wife and I travelled up the Danube, stopping at many towns on the way, including Vienna (which should be on everybody's' bucket list) until we reached the Continental Divide, and transited the canal joining the Danube and the Rhine. This was, apparently, 400 metres above sea level, which explained the thirty-odd locks we had to negotiate on the way up. We then sailed down the picturesque Rhine, negotiating a similar number of locks on the way down, via many stops, including Nuremberg, until we reached Amsterdam. After a couple of days there, we travelled on to the U.K. for a packed two weeks of visiting relatives, before flying home via Singapore, where we both picked up chesty coughs and colds, which haven't quite abated yet.

Meanwhile, I have been in e-mail contact with Government House, and Her Excellency is otherwise occupied on all the last Wednesdays of the month for this year, and so we have organised a date for a special meeting to meet the Governor of South Australia, which will be on Wednesday 4<sup>th</sup> of October. Despite this not being a normal meeting day, it would be nice if we could manage a good turn-out to meet Her Excellency. We could even postpone our September meeting until then, but we can discuss this next Wednesday at our usual monthly meeting. We would like to have a good idea of the numbers who would be interested in attending, and, of course, wives and guests would be more than welcome. As just mentioned, our monthly luncheon meeting will be held on Wednesday 28<sup>th</sup> June at the usual venue of the Largs Pier Hotel at 1145 for 1200, with the Court Meeting one hour before that. It would be good to see as many of you who can make it.

It's good to be home again,

Happy Sailing

Bob W (SABM)

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## Branch Members Only

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The next Branch meeting will be held at  
the Largs Pier Hotel, 198 The Esplanade, Largs Bay,  
on Wednesday, 28th June, 2023, at 1145 for 1200.

Please confirm your attendance at the lunch or register your apology  
before 12:00 on Monday, 26th June 2023  
with Bob Westley (0427 644 947) or Ian Dickson (0418 807 788)



The Company of Master Mariners of Australia Ltd. is a Company established to promote and further the efficiency of the Sea Service generally, and uphold the Status, Dignity and Prestige of Master Mariners in particular.

## Climate change

By Michael Grey

Summers seem to be arriving so much earlier these days, at least on the news desks of newspapers. Traditionally, high summer was the period when all the ace correspondents departed to their gites in the Dordogne and house parties in Tuscany, leaving the second team, and wretched freelancers, who never got any holidays at all, to fill the pages. There were certain conventions which had to be observed, largely requiring the placing of standard stories which could be “refreshed” during this silly season, being retrieved from some stock kept against a need on a rainy day. We called it the “idiot file”.

When holiday time came, it was vital to have a story about the Bermuda Triangle and some new revelation about this allegedly deadly shape (some said it was actually a rhombus) in the western Atlantic. You could count on a scare story from the west country, with a reliable sighting of a Great White Shark off the Cornish beaches, which in recent times has led, inevitably, to lengthy discussions of climate change. Shoals of Portuguese Men of War sometimes provide a pleasing variety.

But most reliable of all as a page-filler was the seasonal tale of that blasted wreck mouldering away on the ocean floor – the Titanic, which seems to retain its grisly grasp on folk memory long after it ought to have been decently forgotten. And here we were in the middle of May, with huge computerised illustrations purporting to have been retrieved from the dark depths by the latest in submersible technology. There was even some chap on the radio telling us that it could reveal new and important revelations of why the blooming ship sank, as if we didn't know that it was caused by its dangerous proximity to an iceberg.

It is Harland & Wolff that I feel sorry for, being cursed forever with its association with the name of that wretched ship. Just the other day it was the “Titanic's shipyard” that was going to build the new dry store ships for the Navy, while it was being bandied about once again, with the delivery from the yard of a whole fleet of barges for Cory in the Thames. And yet that famous shipyard built hundreds of successful ships, yet nobody uses their references to explain the yard's historic pedigree.

But let us move back to our seasonal tales and the confirmation that climate changes are taking place with lurid stories appearing of killer whales organising themselves like U-boat packs to chew off the rudders of expensive yachts. The senior pod members, no less, are teaching the young orcas to adopt this malevolent behaviour. What worries me is what the news editors, having used up their quota of such stories so early in the year, will find to fill the pages, come the summer months.

But perhaps rather than being anything to do with the seasons, there is a pattern of quite improbable things going on these febrile times. I read, for instance, that space on car carriers has become so expensive that it has become cheaper to ship your top of the range motor in a container. One hopes that they watch the weights, as the most fashionable electric automobiles are so heavy that civil engineers are worried about them bringing down bridges – on B-roads, not aboard the ship, although you might think that fire safety would also be something of a worry.

But perhaps the improbable tale that keeps on giving most, during this early summer, is that surrounding the emergence of the sanction-busting “dark fleet” of tankers, said to number more than 1000 ships and shipping Russian, Iranian and Venezuelan oil. Maybe we had just become complacent, assuming that the regulatory, insurance and supervisory regimes constructed in recent decades would have in some way prevented unscrupulous operators being able to run rings around all the processes put in place to keep ships and the marine environment safe.

It seems hard to believe that there are big, elderly tankers, laden to the gunwales with sanction-busting oil, whose ownership is virtually untraceable, behind what we used to call “brass-plate” (more likely plastic) single-ship companies, which change their identities with the regularity most people change their underwear. We find that there are sub-Saharan dictatorships which most would have thought might have just about been able to cope with the registration of a 40-year old paragraph coaster, with its ensign now proudly flown by several million tonnes of VLCC in doubtful states of repair. And perhaps worse still, the insurance carried by many of these ships and their alleged classification will have been obtained (if their owners have even bothered) from the sort of people you are warned about in consumer magazines to, very carefully, check the small print.

It is certainly a strange old world. Never mind, there are still some constants, and I am greatly reassured by the liner sector, which is bringing into service more and more super-sized, mega, containerships, assuring us of a huge slump in rates for the foreseeable future. Situation normal, at last. And it is only springtime.

Michael Grey is former editor of *Lloyd's List*.

Source: *Maritime Advocate* 831

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## Independent average adjusters

Independent adjusters are set to outperform AI apps, speakers suggested at the annual dinner of the Association of Average Adjusters. Calls for marine insurance and legal professionals to recognise the indispensable value of independent average adjusters – notwithstanding the giant strides by artificial intelligence – were made and it was stressed that average adjusters' skills would remain unmatched by the latest technological innovations.

AI applications would be confounded in handling marine casualties efficiently and reliably because they lacked human qualities such as emotional intelligence and intuition. No-one should be dazzled by the theoretical possibility that AI 'bots' might soon be able to 'pass' even the tough exams for eligibility of Fellowship of the Association, it was suggested.

Those present at the event were assured that, with trust a priority and no room for error, average adjusters would continue to tender their expertise at a level that would out-rival generative products.

It was announced at the conference that Burkhard Fischer had been elected as chair of the Association for the 2023-24 term, in

succession to Sir Nigel Teare who held the position for the 2022-23 period.

Heather Robinson, a Fellow of the Association who is director of marine adjusting (Middle East) for Richards Hogg Lindley, asserted: “I may be biased, but I do believe adjusters will continue to play a crucial role in what our industry looks like in tomorrow’s world. The use of independent adjusters should be supported for the long-recognised benefits this confers on both owners and their insurers to ensure that claims are dealt with fairly and commercially. If the option for independent adjusters is to endure into the future, there needs to be sufficient cases being handed out for a new generation of trainees to learn from.”

She added that “When reinsurers proactively instruct adjusters in respect of claims, the adjuster lends transparency to the claims process. This is especially important in markets where the claims leader is a local insurer and retaining very little of the original risk – effectively a reinsurance broker. Without the involvement of an independent adjuster, there is a very real risk of a gap between what local insurers do with the claim and what they ask from reinsurers.” She added: “This career is built on variety. A variety of people, cases and skills required. Every different situation presents new issues and areas of grey. The expertise of the practitioners in this profession is in helping to navigate these areas of grey.”

Jeremy Russell KC, arbitrator at 10 Fleet Street, affirmed the valuable support provided by average adjusters, including the collection of security in salvage agreements – one of the lesser-known aspects of their services.

Meanwhile, Melis Otmar, who is qualified as an Associate within the Association, said that the industry had to determine its approach to Artificial Intelligence, which could scan everything in a document and reach a conclusion within seconds. “Where do I stand,” Otmar asked rhetorically, “against AI which might achieve becoming a Fellow of the Association in just four hours”.

However, currently, AI can perform white-collar jobs more efficiently; and the degree of existential risk posed by AI is to be debated, she said. Nevertheless, marine professionals survived with their innate knowledge and intuition; no marine casualty can be handled successfully without human emotional intelligence or intuition – this is what AI lacks, she added. General average will be general and average to AI but only on paper, not in action.

Otmar is claims director of H&D Marine at BMS Group. She made special reference to the contribution to the industry of seafarers “to whom we all owe so much.” Responding to her address, and proposing a toast to the Association, Jörn Groninger, president of Verein Deutscher Dispatcheure, lamented that some people in shipping and insurance tended “to forget [average adjusters] are there” and it was critical to train young people in the business about their role.

Source: *Maritime Advocate* 831

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## Australia Bans Bulk Carrier Over Multiple Deficiencies

Mike Schuler June 1, 2023

Panama-flagged bulk carrier *Babuza Wisdom* has been banned from Australian waters for a period of 90 days by the Australian Maritime Safety Authority (AMSA) due to numerous detainable deficiencies, including a faulty rescue boat engine.



The Panama-flagged *Babuza Wisdom*. Photo courtesy AMSA

The vessel is operated by Taiwan-based Well Shipmanagement & Maritime Consultant Company Limited, a company with a track record of poor performance and repeated run-ins with safety regulators. Their fleet has a detention rate that is over five times the average for ships visiting Australian waters.

AMSA had issued several warnings to the company regarding other ships in their fleet that had been detained in recent years. As a result, *Babuza Wisdom* was identified as a high-risk vessel and was scheduled

for an inspection by AMSA in Geelong on May 17, 2023.

During the inspection, AMSA inspectors discovered a “plethora” of deficiencies, including a defective rescue boat engine, malfunctioning reserve batteries for the MF and HF radio systems, and systemic maintenance and reporting failures within its safety management system. The AMSA said these deficiencies posed a significant risk to both safety and the environment, resulting in the *Babuza Wisdom*’s immediate detention.

Michael Drake, the Executive Director of Operations at AMSA, said the defective rescue boat engine alone compromised the ship’s ability to respond to emergencies such as a man overboard event, making detention necessary.

“Compounding this was the defective reserve batteries for MF and HF radio systems which means the ship had no radio back-up if it lost main engine power, which is a feasible scenario given its maintenance and reporting failures,” said Drake.

A review of regulatory interactions with other ships operated by Well Shipmanagement over the past three years revealed significant systemic failings and a pattern of unacceptable performance. Despite repeated warnings from AMSA to meet international standards, the agency says the company has consistently demonstrated systemic deficiencies that endangered the safety of seafarers and the environment.

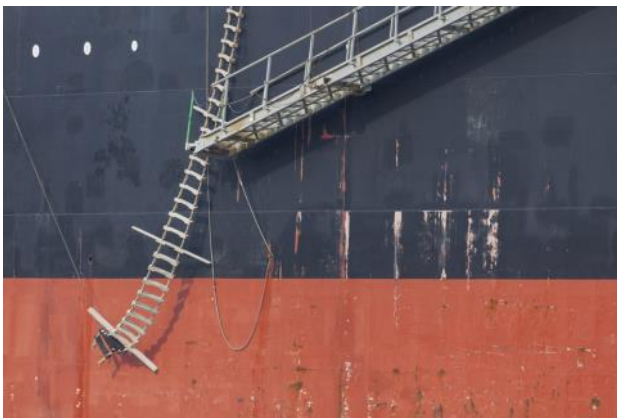
“That is why we have taken the step to ban *Babuza Wisdom* from Australian waters for 90 days, which will send an even clearer message to the operator about the gravity in which we regard our role as a safety regulator and our zero-tolerance approach to sub-standard ships,” Drake added.

The latest action comes as AMSA is cracking down on poor performing operators in the maritime industry.

Source: *gCaptain* 230602

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## Australia Convicts Ship Operator, Master After Pilot Ladder Fall Injury



Mike Schuler June 1, 2023

A Magistrates Court in Perth, Australia, has convicted the Master and operator of a Cyprus-flagged cargo ship following an accident involving a substandard pilot ladder.

The case was presented by Australia's maritime safety regulator, the Australian Maritime Safety Authority (AMSA).

AAL Dampier Navigation Co Ltd, the company behind the ship, *AAL Dampier*, and the ship's Master were found guilty of breaching safety regulations that led to the accident in August 2022.

The incident occurred as the *AAL Dampier* was departing the Port of Fremantle on August 24, 2022. A marine pilot, while in the process disembarking the vessel, was injured after falling from a faulty pilot ladder. The ropes snapped, causing him to fall about 7 metres onto

the deck of the pilot boat.

The pilot was taken to the hospital with serious injuries.

Following the accident, AMSA officials and investigators boarded the ship for inspection. They discovered and seized a segment of the ropes, which, upon examination, were found to be seriously defective and clearly unfit for purpose. The neglect of proper storage and ineffectual inspection routines were identified as the probable cause of the poor state of the rope.

AAL Dampier Navigation acknowledged its failure to adhere to Marine Order 21 (Safety and Emergency Arrangements) 2016. The company pleaded guilty to not having complied with regulations for pilot transfer procedures. The court ordered the company to pay a fine of \$30,500.

The vessel's Master faced charges for not ensuring a safe disembarkation process for the pilot, as mandated by Marine Order 21 (Safety and Emergency Arrangements) 2016. Additionally, he was held accountable under the Navigation Act 2012 for taking an unfit vessel to sea. He pled guilty to both counts and was imposed a cumulative fine of \$5,500.

Michael Drake, AMSA Executive Director of Operations, said he was pleased with the verdict and emphasized the importance of safety measures in the high-risk job of marine pilots.

"AMSA is a strict but just regulator. We will not waver in our commitment to avert risks to human life, be it a pilot or a mariner," said Drake.

The conviction serves as a stark reminder to all vessels and seafarers of their duty to uphold maritime safety standards.

Source: *gCaptain 230602*

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## Australia Continues to Crackdown on Unsafe Ships

Mike Schuler June 7, 2023

The Australian Maritime Safety Authority (AMSA) has taken further action against ship operators failing to meet safety standards by imposing a 90-day ban on the Antigua Barbuda-flagged general cargo ship *BBC Weser* from Australian waters.



MV BBC Weser. Photo: Kick van den Dool / MarineTraffic.com

The decision to ban the vessel was made after an inspection revealed that it was in an "unsafe and unseaworthy" condition, posing an unacceptable risk to Australia's marine and coastal environments. This marks the second ship banned by AMSA within a week, following the 90-day ban imposed on the *Babuza Wisdom* due to numerous deficiencies, including a faulty rescue boat engine.

The *BBC Weser* was detained by AMSA in May 2023 after inspectors discovered a significant number of defective ballast air vents on board. These vents are essential safety components that prevent water from entering the ship while allowing air to escape, thus avoiding the development of dangerous vacuums within the tanks.

The ship's operator, Briese Heavylift GmbH & Co, has a track record of poor performance, with one in five of their ships having been detained in Australia since May 2021. This detention rate is over three times higher than the average for ships visiting Australian waters.

AMSA had previously warned Briese Heavylift GmbH & Co twice about their poor performance and the potential consequences of further detentions or more severe compliance and enforcement measures. Earlier detentions were a result of defective emergency generators and unsafe work platforms, which led to a crew member suffering critical injuries while working on one of their ships.

Briese Heavylift GmbH & Co. is one of 18 operators that the AMSA has issued letters of warning to in relation to serious deficiencies since last September. The letter means that the company's ships are eligible for inspection every three months as part of

ongoing AMSA compliance activities.

Michael Drake, AMSA's Executive Director of Operations, said the ban on the *BBC Weser* sends a clear message to the operator and the wider shipping industry that sub-standard ships will not be tolerated in Australian waters.

"The defects on the *BBC Weser* are especially concerning, as they are detainable deficiencies that would have been obvious to anyone onboard, and that the operator could not have pleaded ignorance to," Drake said. "AMSA has a world-class reputation for being a tough-but-fair safety regulator, and we are dedicated to meeting international standards for safety in shipping."

"Sub-standard ships and their operators have been warned," Drake concluded.

Source: *gCaptain 230608*

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## 'Extreme' measures under consideration at drought-hit Panama Canal

Sam Chambers June 20, 2023

New draft restrictions from the drought-stricken Panama Canal will mean that from next month the waterway will have slashed its draft by more than 2 m, with authorities warning daily transits may have to be cut by up to 25% in order to save water.



Panama Canal Authority

Panama has been suffering one of the worst dry spells in its history this year, with repeated announcements of draft restrictions on the canal, something likely to worsen with the onset of El Niño, a weather pattern that tends to bring dry weather to Central America.

As of yesterday, ships transiting the newer neopanamax locks must have a maximum draft of 13.41 m, going down to 13.26 m next week and to just 13.11 m on July 19, a significant drop from the maximum draft of 15.24 m. By July 19, the old panamax locks will be able to welcome ships with drafts of just 11.73 m.

Further restrictions are possible with meteorologists warning water depths in Lake Gatun, which is in the centre of the canal, could hit historic lows by July.

It requires 200m litres of water to allow the passage of a single vessel along the canal, water that is largely generated from Lake Gatun, which is drying up fast.

The Panama Canal Authority said it "will continue to monitor the level of Gatun Lake and will announce future draft adjustments in a timely manner."

The canal's administrator, Ricaurte Vasquez, said he had not ruled out taking the "extreme measure" of limiting daily transits on the waterway from today's 36 vessels to 28 vessels.

Dry weather is hampering navigation in many other important waterways this year. Ships are unable to travel fully loaded on the Rhine in Germany, for instance, a river that was hit by severe draft restrictions last summer.

Source: *Splash247 230620*

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## The Story Of Cunard's *RMS "QUEEN ELIZABETH"*

**How Hong Kong's 50-year-old shipwreck, Britain's *RMS Queen Elizabeth*, sank in Victoria Harbour – and it's still there!**

Besides being world famous for its spectacular views and skyline, Hong Kong's Victoria Harbour is also well known for its deep water, which allows for 10,000-tonne ships to dock and easily move through the heart of the city.

Fifty years ago, the *RMS Queen Elizabeth*, the largest ocean liner in the world at that time, arrived in Hong Kong. However, no one would have expected that the final destination of this titan was the seabed of Victoria Harbour. Today, parts of the wreck are still lying at the bottom of the seabed.

Why did this British liner, which provided service between the UK and the US, sail to Hong Kong in July 1971? Who owned the ship? Why did it sink and what happened to the wreck? Let's recall the ins and outs of the half-century-old shipwreck.

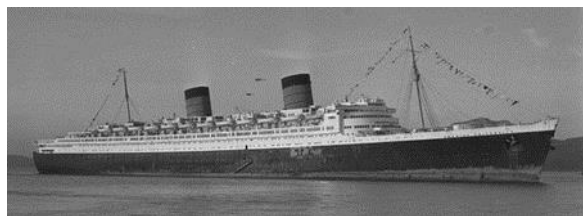


The story starts in the mid-1930s. Ocean liner *RMS Queen Elizabeth* – named in honour of Queen Elizabeth, the wife of King George VI, aka the Queen Mother – was constructed in Scotland and owned by Cunard Line. Some 1,031 feet (314 metres) in length, 118 feet in breadth, 120 feet in depth and with approximate gross tonnage of 85,000, it was the largest-ever riveted ship the world had ever seen at that time. Queen Elizabeth herself performed the launching ceremony on September 27, 1938. However, instead of entering passenger service after fitting out, *RMS Queen Elizabeth* was used as a troopship when the second world war broke out in late 1939. The ship finally started her secret voyage to New York in March 1940. Together with liner *RMS Queen Mary*, the two Queens carried over two million servicemen and

were credited by Winston Churchill as helping to shorten the war by a year. After surviving the war, *RMS Queen Elizabeth* entered a regular transatlantic service in 1946. She remained a dominator in the transatlantic passenger trade until the advent of the faster and more economical jet airliner in the later 1950s.

Cunard finally retired the *Queen Elizabeth* liner in 1969, but the legend of the titan did not end here.

The following year *RMS Queen Elizabeth* started a new page when Hong

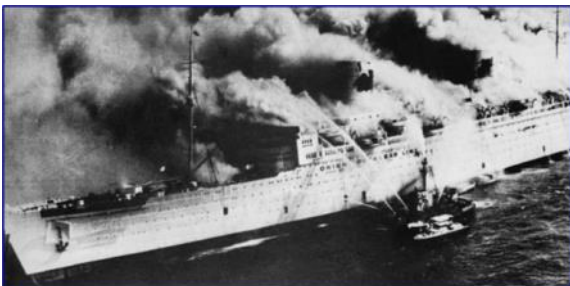


*Seawise University, formerly Queen Elizabeth*

Kong shipping magnate Tung Chao-yung, founder of the Orient Overseas Container Line (OOCL), bought the ship for US\$3.2 million at an auction in 1970.

Dubbed “the Onassis of the East”, Tung had aspirations in both the sea business and education, believing deeply in the importance of knowledge. His intention to buy the *Queen Elizabeth* was to convert it into a floating university, namely *Seawise University*, a play on Tung’s initials. C.Y.

The ship arrived at Victoria Harbour in July 1971 and underwent refurbishment in the water between Tsing Yi Island and Stonecutters Island. Out



of the blue, the vessel was set alight six days before the scheduled trial on January 15, 1972. Tung’s 34-year-old son Tung Chee-hwa – later the first chief executive of Hong Kong – was on board at the time and had to flee. After a 24-hour firefight the vessel was completely destroyed and was finally declared a shipping hazard. The water sprayed on her by fireboats caused the burnt wreck to capsize and sink. An investigation into the mystery blaze was inconclusive, and while arson was widely suspect, no suspects were ever identified. Before the shipwreck completely sank into the sea, people grabbed a final chance to preserve the afterglow of the sea queen. In 1974, it was used in a location shoot for the James Bond film *The Man with the Golden Gun*, as the converted headquarters of MI6. Also, 5,000 collectable Parker pens were produced with material recovered from the wreck, whilst the flagpole and remnants of her last ensign adorn the wall of the marine police headquarters. The wreck was eventually dismantled in 1975, with parts of it removed and part used as reclaimed land at nearby Kai Tak Airport. It is estimated that around half of the wreck still lies on the seabed, and in the late 1990s, the last remains of the wreck were buried during land reclamation for the construction of Kwai Tsing Container Terminal 9.



Source: Unknown

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## China clamping down on shadow fleet

Sam Chambers May 29, 2023

Even Russia’s closest allies are getting jittery about the state of the tonnage being used to haul oil across the globe.



Brian Kushner / MarineTraffic

Data analytics firm Vortexa has reported of Chinese ports raising their scrutiny regarding port inspection when it comes to older tankers. The latest port to implement tighter measures is the port of Qingdao, focusing on 10+ years old foreign tankers that have changed hands in the past three years.

Maersk Broker has details of the crude tanker *Titan*, which was detained at Qingdao for a month, after failing 20 safety counts in an inspection. Other ships, including the *Ocean Per* suezmax (pictured), have also been detained for weeks at a time too.

The vessel currently called *Titan* after being renamed seven times have owners that are hard to trace while insurance of the vessel also remains murky.

“Although insufficient documentation and safety lapses are typical for vessels operating in opaque markets carrying Russian, Iranian and Venezuelan crude, the increasing number of tankers detained in Asian ports could mark a potential shift in the attitude towards ageing vessels operating in the grey fleet,” Maersk Broker noted in its latest weekly tanker report.

Data analytics firm Vortexa assessed, as of early May, that exactly 1,000 unique tankers have operated in what it terms as the opaque market since January 2021, of which 745 of them were still active in the first quarter this year.

Over at brokers BRS, meanwhile, the latest analysis shows the grey fleet is still expanding, but at a slower pace than earlier this year.

The latest update from BRS shows there are 758 tankers in the so-called grey fleet, up from 731 a month ago.

"This suggests that the grey fleet growth rate is slowing down," commented Andrew Wilson, BRS's head of research, a point of view shared by many S&P brokers who have noticed a slowdown in vintage tanker sales recently.

The shadow fleet has more than tripled in size since the start of the war between Russia and Ukraine, with TankerTrackers.com suggesting recently that one in five VLCCs are "up to no good".

TankerTrackers.com, one of the world's leading authorities on the illicit seaborne movement of oil, has its own visually proven numbers on the dark fleet, which as of two weeks ago tallied 544 ships.

Major class societies, managers, and insurers have shunned former clients in Moscow, Tehran and Caracas, with substandard tonnage subsequently running into trouble at many destinations around the world, exacerbated by increased use of ship-to-ship transfer operations, all of which is proving a tremendous strain on the world's shipping insurers.

"The simple fact is that a growing number of vessels that are transporting oil are insured, flagged, and classed with institutions and countries that do not provide anything like the same technical and regulatory oversight as we have come to expect, whilst those providing the insurance cover lack the experience and quite possibly the financial capacity to deal with a major incident," commented Mike Salthouse, a sanctions expert and head of external affairs at NorthStandard, in conversation with Splash earlier this month.

China's thirst for illicit oil is also throwing up some strange mathematics. According to TankerTrackers.com, China officially reports that its imports of Malaysian crude oil are so high that they are now double of what Malaysia produces.

Source: *Splash*247 230529

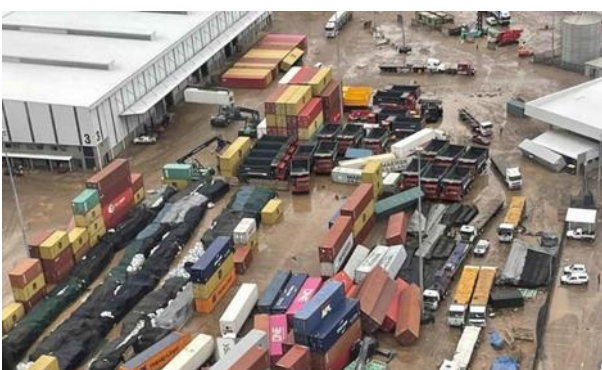
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## Marine insurance is changing – ports must not leave themselves exposed

Splash June 20, 2023

**Edward McNamara, CEO of Armada Risk Partners, with some useful advice for the ports community.**

Maritime executives will have raised a weary eyebrow last week as it was confirmed in *Splash* that the El Nino weather phenomenon will return this year.



South African Government

The Climate Prediction Center at the National Oceanic and Atmospheric Administration in the US said there is an 84% chance that this El Niño will be stronger than normal. El Niño is a weather pattern that builds in the Pacific Ocean that can impact weather conditions around the globe impacting shipping and port operations. While it may lead to a lower hurricane season in the Atlantic there is likely to be stronger cyclone activity in the central and eastern Pacific. Meanwhile changing rainfall patterns could impact the drought in the Panama Canal potentially limiting the number of daily transfers.

The news comes as the port insurance industry is becoming more complex and risk averse. Post covid and the Ukraine war insurance companies are changing how they evaluate policy. Policies were usually assessed on NLE (Normal Loss Expectancy): This is the loss estimate

expected under normal conditions. But we are seeing policy quotes moving to the more expensive risk criteria of PML (Probable Maximum Loss) or MFL (Maximum Foreseeable Loss). In this context the port can be hit with far higher premiums than necessary. And even then that coverage, despite its expense, may not fully protect the port from the risks it faces. For this reason it is now very important to thoroughly check your coverage and source a wide variety of quotes with your broker.

Ports are on the frontline of extreme and changing weather patterns with risk of damage, disruption and third party claims. Estimates show insured losses from natural catastrophes continue to be above the 10-year average of \$81bn, at \$115bn. Hurricane Ian, which struck Florida in September, was last year's costliest natural catastrophe event, with an estimated insured loss of \$50-\$65bn. The Port of Houston has further been identified in a recent study by Oxford University as the most at risk in the world from extreme weather. But given there are 29 ports in Texas alone, which are critical to US and global trade, you start to see the size of the problem being faced. As well as risk to life, injuries and infrastructure damage there is disruption to port operations to consider with costly delays. Globally Oxford's researchers estimate as much as \$63 billion of trade is at risk every year as a result of climate change, the conclusion being ports worldwide require serious infrastructure upgrades.

As the last few years have graphically illustrated, ports are further at risk of being dragged into economic turbulence as a result of strikes, disrupted supply chains and economic sanctions. Russia's invasion of Ukraine, for example, led to Maersk cutting its ties by selling its 30.75% stake in its Russian port operator, Global Port Investments, following the sanctions imposed by western governments on the Kremlin.

Another worrying trend we are seeing is lack of cover for port blockage. If extreme weather or a ship grounding blocks access to a port, who will get it opened, how fast and who will pay? With the constant increase in rates and premiums, the feedback we receive is that some ports are looking at cutting coverages and costs. However, they are not realising that some coverages such

as port blockages are critical. Many port operators believe the government will unblock their port because of the urgency of bringing in ships with essential supplies. But this is a high risk strategy, as governments can be wrestling with bureaucracy and other emergency priorities. This can result in potentially massive delays and a huge loss of income if port operations are paralysed.

It is further very important for ports stakeholders to come together to understand risk. The multitude of parties operating in a port from security contractors and shipping lines to truck and rail operators and tenant businesses need ensure the insurance element of their contracts is clearly understood. Too often the insurance wording in contracts is vague and open to legal interpretation. Ports and terminals should work with their insurance brokers and port partners to review their agreements to clarify liability. This would greatly enhance the resilience of ports and terminals and their partners preventing unexpected and contentious claims.

Source: *Splash247 230620*

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## USCG Transits Taiwan Strait Days After High-Level Diplomatic Visit

PUBLISHED JUN 23, 2023 1:39 AM BY THE MARITIME EXECUTIVE

Just days after U.S. Secretary of State Antony Blinken visited Beijing for a summit with Chinese President Xi Jinping, the U.S.



USCGC Stratton operating in the South China Sea, June 2023 (USCG)

Coast Guard sailed one of its largest cutters through the Taiwan Strait, a symbolic move demonstrating U.S. solidarity with Taipei.

According to 7th Fleet, USCGC *Stratton* conducted a transit of the strait through "waters where high-seas freedoms of navigation and overflight apply . . . through a corridor in the Strait that is beyond the territorial sea of any coastal State." The phrasing counters Chinese territorial assertions: China claims sovereignty over all of the Taiwan Strait, as well as the island of Taiwan, the vast majority of the South China Sea, and the Paracel and Spratly Islands.

Speaking through the China Coast Guard, the Chinese government acknowledged that the *Stratton's* transit occurred and accused the U.S. of "hying" the event by publicly announcing it.

The government-owned Global Times noted that there was a de-escalatory element to this particular freedom of navigation operation. The U.S. Navy usually conducts Taiwan Strait transits with a cruiser or destroyer, and China typically objects through a spokesperson at the PLA Eastern Theater Command. Instead, this transit was conducted by a U.S. Coast Guard cutter, operating on its own, and the Chinese response came through the China Coast Guard. Both are military agencies, but are not geared towards high-end conflict.

Beijing has also taken note of the Coast Guard's growing role in the vast reaches of the Western Pacific. In Micronesia, the Solomon Islands and other far-flung archipelagic nations, the agency is often the only American presence on the ground, and it plays an important partnership and outreach function for this strategic region. The USCG also supports the Philippine Coast Guard, which regularly confronts Chinese interests in the Spratly Islands. "The US intention is obvious: to help these countries maintain so-called maritime security, ensure that other countries do not excessively develop the ocean through joint law enforcement at sea, and essentially aim to contain China," Chinese military commentator Song Zhongping told Global Times.

Source: *Maritime Advocate 230623*

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## Panama's Registry "Cleans Up" Fleet for International Compliance

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The Panama Maritime Authority reports it is taking steps to increase its enforcement and remove ships from the registry that are failing to uphold standards or are involved in illegal activities or operations related to sanctions. They said while efforts have been postponed in the past, including while there were updates to the Merchant Marine law, the registry is committed to moving forward to improve international compliance.



Panama flag photo - Pete Unseth (CC BY-SA 4.0)

The Panama Ship Registry reports it is working on an integrated review of the verification and control of the more than 8,500 vessels that make up the Panamanian fleet and the more than 318,000 active seafarers. According to data from Clarksons Research, Panama added nearly 30 million gross tons to its registry since July 2019. As the largest shipping registry, they estimate on average the Panamanian fleet is inspected 14,000 times a year.

"The Panama Maritime Authority considers the international compliance of the Panama-flagged fleet of utmost importance and to enforce it," the authority said in its statement reporting that it looks at the age of vessels, detention, and safety inspection history, together with statutory and classification inspection and certification history. The purging process began in 2021 and continues

with a review of elements, including vessels with a compromised history and detention reports.

The efforts come as there has been an increased global focus on the practices of ship owners and operators. Globally there have been efforts to improve safety and crackdown on the growing shadow fleet.

According to Panama, under the Merchant Marine law, they cite a list of reasons for which a ship can be removed from the registry. These range from non-compliance with regulations including maritime safety, pollution prevention, maritime security or international conventions, as well as expiration of navigation documents that have not been renewed within five years. They also list smuggling, illicit or clandestine trade, piracy, and other crimes along with presenting or having forged or falsified documents. A high incidence of detentions due to serious or recurring deficiencies as well as being in multiple registries are also grounds for removal from the Panama registry.

Another revision that they are undertaking to the Merchant Marine Law is the proposal to add illegal fishing to the reasons for removal. They highlighted that a provision is being added for information that vessels are active in illegal, unreported and unregulated fishing.

The report highlights that 182 vessels involved in fishing representing over 475,000 gross tons have already been cited for invalid fishing licenses or expired documentation. Another 97 vessels totalling more than 59,000 gross tons are currently in the process of having their registries cancelled for similar reasons.

Panama is participating for the first time in the U.S. Coast Guard's Qualship 21 Program, an initiative to identify high-quality ships and provide incentives to encourage quality operations. The USCG launched the program in 2001 to eliminate substandard shipping by focusing on improving methods to identify poor-quality vessels. Panama says as part of its participation it has put in place a series of measures ensuring the reduction or possible detention of Panama-flagged ships at U.S. ports.

The Panama Maritime Authority reports it has cancelled more than 6.5 million gross tons of shipping since July 2021, for issues related to Iran, North Korea, or vessels included in the list of international sanctions. While efforts had been previously postponed, they said they are committed to completing the cleaning up of the fleet.

Source: *Maritime Executive* 230622

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## Ørsted Develops Uncrewed Surface Measuring Vessel for Offshore Wind

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As the pace accelerates to develop offshore wind energy projects, Ørsted, one of the leading developers of offshore wind farms, has developed the first uncrewed surface vessel specifically designed for offshore met-ocean measurement campaigns. According to the company, the vessel improves the efforts to gather data critical to early-phase development activities before construction while also improving safety and lowering overall costs with an increased operational window including high sea state conditions.



*Hugin* is the first surface measurement vessel specifically built for the offshore wind sector (Ørsted)

"What's so special about our USV concept is that it can bring our measurement equipment to and from our offshore sites without the need for large, specialized support vessels, and, while on-site, it can operate autonomously for extended periods of time, measuring large amounts of data that can be sent onshore and processed in real-time," explains Frederik Søndergaard Hansen, Programme Manager and co-inventor of the USV concept.

A prototype USV, named *Hugin USV*, was developed in collaboration with industry partners. The prototype USV was constructed by the Danish shipbuilder Tuco Marine Group and the USV control system was delivered by the Norwegian company Maritime Robotics. The prototype vessel was tested in Danish and Norwegian waters and has been operational during hurricane conditions, where it experienced waves up to nine meters in the North Sea. *Hugin USV*, the company reports, has also achieved type validation as a floating LiDAR system by DNV, enabling it to be used for commercial operations related to wind farm development.

It is designed for continuous operation in the harshest offshore conditions for a year at a time. The USV has a built-in navigation system, which enables it to transit from shore at various degrees of autonomy, and it can be controlled both in line-of-sight or from a beyond-line-of-sight remote control centre.

It is designed as a generic sensor platform and can collect large amounts of data on, among other things, the wind conditions, the state of the seabed, and biological and ecological measurements. This measurement data is used to help lower uncertainties in the expected annual energy production for new offshore wind farms. Ørsted, who has patented the USV concept, reports it sees enormous potential in the technology and has initiated a serial production based on their successful prototype USV. The expectation is to produce five new USVs by the end of 2023.

Source: *Maritime Executive* 230622--oo00oo--