

DAILY SHIPPING NEWSLETTER



DAILY SHIPPING NEWSLETTER : Sunday 12-05-2002



**Operation
Enduring Freedom**

EVENTS, INCIDENTS & OPERATIONS

Yarra crew's eviction considered

NINE Australian seamen remained on board **CSL Yarra** in Port Pirie this evening, as the Supreme Court of South Australia considered CSL's application for their eviction. It is understood that a meeting in Melbourne attended by maritime unions, CSL and shipper Adelaide Brighton Cement yesterday and this morning failed to resolve the impasse. The men are all members of the Maritime Union of Australia, whose South Australian deputy branch secretary, Jamie Newlyn, said the crew's resolve was "to stay on board as long as it takes". Power on the vessel was switched off by a company representative yesterday afternoon, although the seafarers have been given two small generators. The MUA is considering a number of legal avenues to challenge CSL's decision to flag out the ship to the Bahamas and re-crew it with Ukrainians. In anticipation of the move, the vessel has been sold to sister company CSL Pacific Shipping.

Thailand in maritime pact

SOUTH Korea and Thailand are to sign a maritime pact, which would open the doors for Korean shipping companies to the South-East Asian market. The Ministry of Maritime Affairs said today the pact would be signed during the visit of minister Yoo Sam Nam to Thailand on May 13. The two countries reached an agreement on the final draft last June. Korean shipping companies are looking at opportunities in the expanding South-East Asian market and the ministry is hoping for a preferred status for Korean lines calling at Bangkok and Laem Chabang ports following the agreement.

Smuggler gets 9 years for deaths on ship from China to Seattle

A Chinese man who helped coordinate the delivery of a filthy cargo container in which four illegal immigrants from China died crossing the Pacific was sentenced to nine years in prison yesterday.

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Chao Kang Lin, was ordered by U.S. District Judge Barbara Rothstein to serve every minute of prison time allowed by federal sentencing guidelines for his role in the deaths of the immigrants aboard the cargo ship **Cape May** in January 2000. That was more than double the sentence recommended by the defense.

Appeals for leniency by the attorney for 31-year-old Lin, also known as Kant Chao Lin, were brushed aside by Rothstein, who said she wanted Lin's maximum sentence for conspiracy to smuggle illegal aliens to stand as an example for those who trade in human cargo.

According to court documents unsealed yesterday, investigators have linked the Cape May incident and several other smuggling operations to two Chinese triad organized-crime operations, Sun Yee On and Sai Fong.

"These Chinese organized-crime groups can earn billions each year from human smuggling operations," Assistant U.S. Attorney Jim Lord wrote in a sentencing memorandum.

Lord said the investigation is continuing into the trafficking of illegal Chinese immigrants. He said agents in Hong Kong have made a fourth arrest there, and U.S. authorities expect to extradite that person for trial in the U.S. on charges of conspiracy and second-degree murder.

Lord asked that the name of the suspect not be released.

On the **Cape May**, 18 people stowed away in the 40-foot cargo container for the 10-day journey to the U.S. from Hong Kong. Immigration officials were tipped off to the arrival of the ship and entered the container at Terminal 18 at the Port of Seattle on Jan. 10, 2000, and found horrific conditions.

Three men were dead, their bodies stacked in the back of the container. A fourth man died later. Autopsies showed the men died from starvation and dehydration brought about by seasickness.

Documents unsealed yesterday described the conditions as "torturous."

"During the 10-day voyage, many immediately became seasick, vomited and eventually became dehydrated," Lord wrote. "Due to the darkness, many confused water bottles with bottles of urine."

Lin is the third individual convicted and sentenced to prison in connection with the Cape May. Fellow conspirators, Kam Hung Chan and Jin Ma, were sentenced to one and two years, respectively.

Ma accompanied Lin from New York to Seattle to help pick up the immigrants and return with them to New York City, where they likely would work for low wages in Chinese restaurants to pay off the smugglers, also known as "snakeheads." They paid more than \$40,000 each.

Chan, according to court documents, was a representative of the smugglers in the cargo container. His job was to use a cell telephone and contact Lin when the ship arrived in port.

Cracking the smuggling operation in China has been difficult, because it is a status symbol for a family to have a member working in the U.S., particularly in Fujian province, where many of the immigrants came from.

The money sent home creates an "insurmountable economic gap" between those who have funds from the United States and those who don't. The only way to restore their social status, according to the court documents, is to risk sending someone to the U.S., sometimes against his will.

Since there is a huge supply of would-be immigrants available, officials said the best way to deter the smugglers is to punish those caught in the United States.

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For that reason, Lord asked Rothstein to severely punish Lin, who paid \$26,000 to be smuggled by the triads into the U.S. through Mexico in 1997.

American Skipper Leading Volvo Ocean Race



American John Kostecki has skippered the German yacht "Illbruck" to victory in the seventh leg of the Volvo Ocean Race from the Eastern U.S. port of Annapolis, Maryland to La Rochelle in France. The win means Illbruck is now the hot favorite to win the whole event after finishing first for the fourth time in seven legs

SHIPYARD NEWS

Hanjin HI to be split from group

SOUTH Korean ship builder Hanjin Heavy Industries is likely to be separated from the parent group. ChoYang Ho, chairman of Korean Air, which is the largest shareholder in Hanjin HI, said today that group businesses would be hived off into four sectors: airlines, shipping, heavy industries and finance. The separation process would begin after the football World Cup in Korea and Japan this summer. For the separation to materialise, Korean Air would have to reduce its equity in both Hanjin Shipping and Hanjin HI to below three per cent. At present, Korean Air owns 12.5 per cent stakes in Hanjin Shipping and 20.9 per cent in Hanjin HI.

ROUTE, PORTS & SERVICES

Cepsa denies bunker claims

CEPSA, the Spanish energy company, has denied recent claims that it might lose bunker contracts with ferries at the port of Algeciras. In a statement today, Cepsa said 'slow service' complaints were "false" and "unfounded". It said it had no knowledge that any of its annual bunker contracts with ferry operators were about to be broken. Regarding the flow rate of its barge Spabunker 4, Cepsa said, "75 tonnes per hour was the recommended rate for providing small quantities of fuel of around 100 tonnes and for the type of fuel which requires a high level of technical control". Cepsa also strenuously denied any incidents involving truck drivers at Algeciras as a result of their bunkering service. The company said it had become "the leading supplier to ships in Gibraltar and Spain and one of the world's leading bunker suppliers because of the seriousness of its approach and the quality of its service which it has provided since 1929". A spokesman at Trasmediterranea, the Spanish state-ferry operator, commented: "Cepsa is not our main supplier at Algeciras, but we have had no problems with its service".

New EAX service: Singapore-Mombasa in 12 days

P&O Nedlloyd, Mitsui OSK Lines (MOL) and Delmas will on May 21 launch a new joint service between Asia and east Africa using five vessels on the 12-day voyage.

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The service, branded as EAX (East Africa Asia Express), offers fixed day weekly direct service between Port Klang, Singapore, Colombo, Mombasa, Tanga, Dar-es-Salaam and Cochin, P&ON has announced.

In addition, the service will provide fortnightly direct coverage of the Seychelles and Maldives.

P&O Nedlloyd and MOL will each provide two vessels for the EAX while Delmas will provide one.

The string calls at Singapore, Port Klang and Colombo as transshipment hubs from and to other Asian ports. Singapore to Mombasa in 12 days is considered the fastest in the market, P&O Nedlloyd has said.

The new service rotation will be, Port Klang (Mon), Singapore (Tue), Colombo (Sun), Male* (Tue), Mahe* (Fri), Mombasa (Mon), Tanga (Fri), Dar-es-Salaam (Sat), Mahe* (Thu), Cochin (Mon), Colombo (Wed) and Port Klang (Mon). (* indicates fortnightly only).

The Delmas Kenya will be deployed on the first EAX sailing departing from Singapore

Panama port dispute resolved

PANAMA Ports Company, a subsidiary of Hutchison Port Holdings, has reached an agreement with the Panamanian government over a payments dispute. The director of revenues at the Ministry of Economy and Finance, Estelabel Piad, has confirmed that PPC has agreed to pay the \$24M it owes the treasury over a period of 24 and 36 months. The company would make a down payment of \$5m to be followed by monthly contributions, which have not been disclosed. PPC, which runs ports at both ends of the Canal, held on to \$774,000 because it said the government had not fulfilled its obligations under the 1997 contract that gave the port company the right to operate the Pacific port of Balboa and the Atlantic port of Cristobal. Under its 50-year concession, PPC had to pay an annuity of \$22.2M. In return, the government agreed to hand over a series of buildings currently occupied by the Panama Canal Authority. In an earlier contractual dispute over land, the government had backed down and paid the company about \$60M as compensation.

Strike disrupts helitransport to North Sea oil rigs

A strike by 33 technicians at Norsk Helikopter has disrupted the company's flights to and from North Sea oil installations. Emergency flights are exempted.



Norsk Helikopter is the main carrier for flying offshore oil workers between mainland bases and Statoil's Sleipner Field and TotalFinalElf's Frigg Field installations.

All ordinary transport has been stopped, but emergency services will be maintained.

This means that workers already on the platforms will not be able to return to the mainland when their tour of duty is over.

Stelmar Shipping Ltd. Announces Time Charter Contract

Stelmar Shipping Ltd. (NYSE: SJH) today announced it has secured the Vessel Jamar, a double hull product carrier, on a one-year time charter contract for \$12,500 per day.

Peter Goodfellow, Chief Executive Officer and President commented,

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"We continue to sign profitable time charter contracts aimed at providing our shareholders with significant earnings visibility. Stelmar has secured 77% of the net operating days on profitable time charters for 2002 and 44% for 2003, which is equivalent to \$128 million and \$87 million in revenue, respectively."

Mr. Goodfellow continued, "Despite the current market conditions, Stelmar continues to successfully lock-in profitable time charters. We remain committed to signing charters for appropriate time periods that enable us to maintain profitability during this challenging market, yet allow us to benefit from higher charter rates when the market rebounds."

About Stelmar Shipping Ltd.

Stelmar Shipping Ltd. is an international provider of petroleum product and crude oil transportation services. Headquartered in Athens, Greece, Stelmar operates one of the world's largest and most modern Handymax tanker fleets with an average age of approximately seven years. The Company, through its maintenance of a modern fleet and commitment to safety, has earned an excellent reputation for providing transportation services to major oil companies, oil traders and state owned oil companies.

Forward-looking Statements

This release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events and the Company's operations, performance and financial conditions, including, in particular, statements regarding: time charter and time charter equivalent (TCE) rates in the near term; tanker supply and demand; supply and demand for oil; expectations as to funding the Company's future capital requirements; future capital expenditures; the Company's growth strategy and measures to implement such strategy; environmental changes in regulation; cost savings and other benefits. Words such as "expects," "intends," "plans," "believes," "anticipates," "estimates," and variations of such words and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks and are based upon a number of assumptions and estimates, which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Company. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to: changes in production of or demand for oil and petroleum products, either generally or in particular regions; the cyclical nature of the tanker industry and its dependence on oil markets; the supply of tankers available to meet the demand for transportation of petroleum products; greater than anticipated levels of tanker new building orders or less than anticipated rates of tanker scrapping; changes in trading patterns significantly impacting overall tanker tonnage requirements; competitive factors in the market in which the Company operates; risks associated with operations outside the United States; and other factors listed from time to time in the Company's filings with the Securities and Exchange Commission. The Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

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NAVY NEWS

WHICH FOREIGN NAVY SHIPS WILL VISIT DUTCH PORTS & WHICH PORTS ARE VISITED BY DUTCH NAVY SHIPS

13 May 02	HNLMS Cerberus	A 851	Kiel
14 May 02	HNLMS Cerberus	A 851	Cuxhaven
17 May 02	HNLMS Buyskes	A 904	Delfzijl
20 May 02	HNLMS Zierikzee	M 862	Portsmouth
21 May 02	FGS Loreley	M 2665	Rotterdam
23 May 02	HNLMS Nautilus	A 853	Hoorn
24 May 02	HNLMS Harlingen	M 854	Dordrecht
27 May 02	HNLMS Van Galen	F 834	Valletta
30 May 02	HNLMS Cerberus	A 851	Enkhuizen
31 May 02	K/V Norkapp	W 320	Scheveningen

Nearly One-Third Warships in Indonesia Need Repair

Thirty-six Indonesian Navy warships or nearly one-third of the total 114 battleships are not battle-ready, according to Navy Chief of Staff Bernard Kent Sondakh.

Sondakh made this comment to Taufik Kiemas, President Megawati Soekarnoputri's husband, who visited the Eastern Region Navy Headquarters in Surabaya, capital of East Java province, on Thursday. He was quoted by the Jakarta Post Friday as saying that in two year's time the Navy will not have a single battleship if it does not carry out repair work to its fleet. The Navy is supposed to be helping the police tackle widespread poaching by foreign fishermen. Sondakh said a plan is afoot to modify 22 of the 36 warships to patrol ships. The rest would be reinforced to improve their battlecapacity, at a cost of 180 million U.S. dollars. The chief of staff said the Navy has 26 Exocet guided missiles but not a single one is in operation. Maritime Affairs and Fisheries Minister Rokhmin Dahuri, who accompanied Taufik, said that Indonesia lost 3 billion U.S. dollars per year due to fish poaching by Thai and Philippine fishermen. A total of 1.5 million tons of fish are stolen by the fishermen every year, the minister added.

Hr Ms Philips van Almonde

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Hr Ms Philips van Almonde which is operating in the Persian Gulf at present, is getting stores from the British RFA tanker **RFA Bayleaf (A 109)**.

WAVE RULER



The brand new RFA supply vessel **WAVE RULER** was shifted Friday morning from the builders yard downstream

Photo : Jim Watt

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Three CH-46 "Sea Knight" transport helicopters fly over the guided missile destroyer **USS McCall (DDG 74)** as part of the Fleet Week 2002 Air and Sea show festivities in Broward County, FL. In addition to its role in the Fleet Week festivities, Truman served as the "centerpiece" for the Air and Sea show

MOVEMENTS

SKANDI CARLA APPROACHING ABERDEEN



This is an interesting photograph of the construction vessel the **Skandi Carla** approaching Aberdeen in the falling afternoon light.

The enormous construction crane hovering mantis like over the ship is particularly arresting.

As usual the afternoon sun favours the photographer in Aberdeen.

Photo: Michael Crooks

New Arrivals



Aberdeen continues to see new ships arriving as the orders from a couple of years ago reach fruition, and it is remarkable that the ranks of ships on the spot have not noticeably increased. The MT6000s [Skandi Foula](#) and [Skandi Rona](#) arrived for Shell and immediately started work, replacing the venerable [Stirling Aquarius](#). However the Aquarius was immediately re-hired for a large sum. The UT755 [Malaviya 16](#) joined the fleet, managed by Gulf on behalf of the Great Eastern Shipping Company, and the [Normand Ivan](#) ([photo above](#)) came and went.

FIELD EXPRESS IN ACTION



Photos : [Tug-Talk](#)



SEA SERV III



The **SEA SERV III** is the former **Smit Lloyd 1**, this in 1965 by the Hoop Shipyard built vessel is still operational with Sea Services Ltd and sails under Maltese flag . **Photo : via Albert Snoei**

RIJNMOND WEATHER

zondag 12 mei

9 uur 's ochtends :
temperatuur: 10 graden
kans op neerslag: 15%
wind: zwak (10 km/u) uit NNW

5 uur 's middags :
temperatuur: 15 graden
kans op neerslag: 5%
wind: matig (12 km/u) uit NNW

.... SPECIAL

The Problems with DP 1

Many support vessels currently entering service are provided with some form of DP facility. Some are DP II with the complete duplicated console on the bridge and officers trained in its operation. These vessels usually have some other intended function in addition to the servicing of platforms and semi-submersibles, whether it be the provision of ROV services or the installation of deep water mooring systems. Other have DP1 which is a system with one reference system one computer and one set of cables between the bridge and the bits that go round and flap from side to side.

At least one major operator has a standard procedure that no vessel with DP 1 systems are to be operated at their Installations, either owned or chartered, and is procedure is leaking into other people's Operations Manuals.

If one asks anyone propounding this philosophy why the limitation, they usually answer that none of the deck officers will have been trained in the use of the system. They might even then follow with a grouse about the reluctance of shipowners to train their staff in its use, but that they understand because if they did then the said staff would disappear to other more sophisticated vessels.

When a friend asked me if I knew any reasonably priced naval architects who could assess whether a particular vessel, if fitted with a stern thruster, could be upgraded to DP I realised what the anti-DP 1 brigade actually needed and what the problem is.

There was no need for the vessel to be assessed by a naval architect. All the owners had to do was to take it out in the conditions under which they would require it to remain in position and have the master keep in in that position. If the ship could not maintain station due to lack of bow thrust then adding a stern thruster would be no use. One should bear in mind that a stern thruster is very helpful for DP systems since the balance of rudders and screws is not required. And those who do not understand any of this will just have to take my word for it.

But what if the master was unable to hold station using the controls, not because of any deficiency in the ship, but because he did not have the skill necessary to carry out the task? In this case some assessment would be required and if it was successful the ship would be able to do what the master had been unable to do, maintain station for a period of time in order that some sort of work could be carried out. If the ship was provided with a joystick, collectively controlling the engines rudders and thrusters then the master, together with the joystick and the DP would be able to maintain station. But the master still might not be able to drive the ship using the individual controls.

The various organisations who ban the use of the simplex DP system suggest that the reason they do not allow its use is because the ship drivers are not trained in the use of the DP systems, and there is generally only one operator. And in a way they are right. If we positioned the ship which we have just been discussing alongside a platform, it is dependent on the DP system, and then the joystick, because the drivers do not know how to control the ship using the thrusters propellers and rudders. So if for some reason the DP fails - because it is a simplex system -the driver has to resort to the joystick, and the joystick has its own agenda which sometimes causes a collision rather than preventing it. There would be no problem if the driver could operate the ship using the individual controls.

This then is the difficulty. The reason simplex DP systems seem to contribute to collision risk is not because the drivers are not trained in its use. It is because they are not trained in the use of the ordinary controls, or even the joystick!!

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This is strange but true. And I honestly think it is time some-one got to grips with the problem rather than reacting in the usual oil industry knee-jerk way, taking action without proper information and causing several other problems by solving the initial difficulty. Those poor guys in the drivers seat on the supply boats need help, and its time some-one gave them some.

HAVE A LOOK AT THE FOLLOWING **SITES** FOR SHIPPING INFO AND PICTURES OF SHIPS AROUND HOEK VAN HOLLAND AT :

<http://www.scheepvaarthoek.nl>

&

<http://www.mcf-rotterdam.nl>

DE KURSK - DE BERGING

13 APRIL 2002

13 OKTOBER 2002



Nationaal Sleepvaart Museum

Hoogstraat 1-3
Maassluis

