

## DAILY SHIPPING NEWSLETTER



DAILY SHIPPING NEWSLETTER : Tuesday 18-06-2002



**Operation  
Enduring Freedom**

## EVENTS, INCIDENTS & OPERATIONS



The South African ship the **Agulhas** departs Cape Town on a rescue mission to assist 79 Russian scientists and 28 crew aboard the German-owned ship **Magdalena Oldendorff** trapped in the Antarctic ice June 16, 2002. The Agulhas hopes to reach the stricken ship in about 10 days, before worsening weather in the Antarctic winter makes the 2,580-mile expedition from Cape Town impossible

## Investors move into Seabulk

US tanker and towage operator Seabulk International has arranged a new equity investment of \$100M and a bank credit facility of \$180M. Investors DLJ Merchant Banking Partners III, a CSFB private equity fund and Carlyle/Riverstone Global Energy and Power Fund will invest \$100M in new share placements to gain majority representation on the company board, in a deal subject to shareholder approval. They will also buy another 49 per cent of common stock from investment adviser Loomis, Sayles and Co, to gain an overall 73 per cent shareholding in the two deals. Seabulk also announced a new \$180M credit facility to repay existing debt and fund capital growth. The company, formerly Hvide Marine, has emerged from Chapter XI reorganisation under the leadership of former Mobil executive Gerhard Kurz.

## DAILY SHIPPING NEWSLETTER

Seabulk has a fleet of 174 vessels in its tanker, towage and offshore divisions, including 10 tankers and 31 tugs.

### Political breakthrough on Brussels ports plan



The European Commission and the member state Council of Transport Ministers came to an agreement yesterday on the controversial ports services directive in a move that received a cautious welcome from port groups.

Loyola de Palacio, the commissioner in charge of transport and energy, said: "Europe has opted for quality of services in ports: this is a brave choice which will make it possible to maintain the highest possible standards in maritime transport."

The directive, focused on opening up competition within ports, has been subject to intense industry

criticism over such issues as the inclusion of pilotage and the length of infrastructure concession periods.

Intense lobbying by port groups appears to have won an extension of the concession periods for three categories of infrastructure investment.

And although pilotage is also included in the package, it will be up to member states to decide at a local level whether competition in this area would compromise safety.

The ministers also agreed that issues relating to port workers — social, health and security — should be subject to national legislation.

However, union officials yesterday remained unconvinced that the agreement addressed their concerns and are holding an emergency meeting today to discuss further industrial action following last week's lightning strikes. There appears to have been a softening of the line on the localised "competent authority" to decide competition issues.

Exact details of the final agreed text are still to be published, but the head of Puertos del Estado, the Spanish government body that co-ordinates state-owned ports, outlined the key details.

On the issue of concession periods, the agreed text provides a 10-year maximum for concessions that do not require significant investments.

There will be a term of 15 years for those that require investment in moveable assets (cranes, tugs etc), and 36 years for those that require significant fixed infrastructure investments, with a 10-year extension for additional investments.

These are an improvement on the original EC proposals, but still fall short of UK industry calls for 10, 25 and 45 years to reflect the returns needed by privately-owned ports who do not receive regional funding for such things as dredging.

Patrick Verhoeven of the European Sea Ports Organisation said: "This appears to be a significant step forward and substantial progress looks to have been made. But I have yet to see the final text."

Other industry groups, including freight forwarders and European shipowners, wanted to study the text before commenting.

## DAILY SHIPPING NEWSLETTER

Adolfo Domínguez, sub-secretary at the ministry of internal development in Spain, said the length of the agreed periods reflected the fact that port investments require significant timescale in order for developers to reap profits.

He said that the changes reflected arguments put forward by critics of the directive who feared that it would prove a dampener on port investment.

The directive faces a second reading in the European Parliament. This is expected to take place in September and take two to three months.

## CASUALTY REPORTING

### CASTOR (CYPRUS)

London, Jun 17 -- Greek salvage group [Tsavlis](#) has applied to the English High Court for leave to appeal against a Lloyd's arbitration that unexpectedly left it without compensation for preventing environmental damage in the course of the tank Castor case. Initially, the salvor was to be awarded \$2.4m in special compensation under Article 14 of the Salvage Convention, but this was recently overturned by Lloyd's appeal arbitrator Nigel Teare QC, leaving the basic salvage of \$5.2m. Tsavlis is seeking in total an extra \$1.5m - a lesser sum than was originally assessed - which is equivalent to a 40% "uplift" under article 14.2 of the convention. If the admiralty court section of the High Court agrees to hear the case, the proceedings will be the most important legal test of Article 14, which is ultimately meant to help protect the environment, since the Nagasaki Spirit case which decided what is meant by "fair rate" for salvors' expenses. The appeal application, lodged with the court a few days ago, contends that the appeal arbitrator erred in law and his decision was a wrong one on the basis of findings of fact. It also submits the court should hear the appeal as the failure to earn an uplift in a case with the Castor's characteristics will, argues Tsavlis, have a "serious impact" on the salvage industry and the environment in future. Among the interesting legal questions underlying the dispute is what is meant by "substantial physical damage" from pollution, which the convention says salvors must prevent in order to be eligible for special compensation. Tsavlis is maintaining that the fact there was a risk of the vessel grounding in the vicinity of Spain's Cabo de Palos, which hosts a fishing industry, tourism, bird reserves and a national coastal park, should more than qualify under the convention. It is understood that the application, drafted by Clyde & Co acting for the salvors, argues that the appeal arbitrator's definition was too restrictive and contrasted with previous decisions which awarded special compensation for preventing spills of lesser quantities of pollutants than those carried by the Castor. The application is also asking the court to determine whether a salvor needs to demonstrate not only risk of harm to wildlife but actual depletion of rare fish or bird populations in order to meet the terms of the convention. Another issue dangled before the court is whether salvors need to prove the precise area where a casualty might break in two or ground in order to be compensated. In general, Tsavlis is claiming the chopping of its Article 14 award has left it with remuneration that barely covers its expenses. According to the Tsavlis camp, Mr Teare's appeal decision has caused wide concern among other salvors, as well as at the International Salvage Union. Martin Hall of Clyde & Co (Greece), who has drafted the main statement in support of Tsavlis' request to the court, declined to discuss the case. A decision as to whether leave to appeal is granted is expected in the coming months.

### SPIEGEL GROVE (U.S.A.)

London, Jun 17 -- A press report, dated Jun 15, states: General cargo Spiegel Grove is leaking oil from its stern, officials said. The leak, which is causing a residue trail about six feet wide and 150 yards long and drifting east, is too small to cause environmental damage, said George Garrett, Monroe County's director of marine resources. Work is under way to stop the leak and report it to the U.S. Coast Guard

## SHIPYARD NEWS

# BRILLIANCE OF THE SEAS

Photo & Text : Christian Costa



In the night from June 11th to June 12th Meyerwerft's latest newbuilding the "**Brilliance of the Seas**" finally was able to be transferred on the river Ems from Papenburg to Leerort and later on on June 12th to Eemshaven for her final outfitting. In the next weeks there will be certain trials at sea. On the picture you can see the "Brilliance of the Seas" in front of the yard in Papenburg. Because of low water in the river they needed to reschedule the transfer on the river a couple of times. The first date for the transfer was the 8th of June. The picture was taken on June 11th.

## JURONG SHIPYARD WINS CONTRACT

Petrobras has awarded Jurong shipyard the contract to refurbish an oil tanker into a \$500 million giant offshore rig to be called P-50. Petrobras said Jurong had come up with a proposal that would cost Petrobras \$244 million, \$100 million less than the oil company had estimated and 6 percent less than offered by Jurong's Brazilian competitor Fels Setal/Technip-Coflexip.

The 180,000 barrel per day rig should start producing in 2004 at the Albacora Leste oil field in the Campos Basin, which accounts for over 80 percent of Brazil's total oil output, which in May reached 1.53 million bpd.

Petrobras also said it would hold licensing contests in the second half of the year to build two rigs of similar size for Marlim Sul and Roncador fields in the same basin. The company also needs to convert its P-47 rig into a processing and treatment unit for the Marlim field and build two new fixed rigs for the Campos Basin and Espirito Santo coast. Petrobras said about 45 percent of the materials and works in this program should be contracted with the local industry. The company expects to spend a total of approximately \$4 billion on these projects.

Petrobras hopes to boost output to 1.9 million bpd in 2005 from last year's 1.4 million. Its investment plan for 2000-2005 reaches nearly \$32 billion.

## Szczecin finally goes under

SZCZECIN Shipyard, the largest division of the Stocznia Szczecinska Porta Holding group, has filed for bankruptcy. The yard's president, Zbigniew Karkota, told employees that the management would begin bankruptcy proceedings today. However, workers were assured that they would receive overdue wage

## DAILY SHIPPING NEWSLETTER

payments beginning on June 25. The declaration of bankruptcy will lead to the setting up of a new company, with the loss of newbuilding contracts on the orderbook and the laying off of all employees only a few of whom would be taken on again. Karkota has resigned. News of the yard's demise was greeted with anger by the workers, and about 3,000 were expected to march to the office of the regional authority. Industry minister Jacek Piechota said it was hoped to begin work as soon as Szczecin Shipyard had been declared bankrupt. The new shipbuilder, free of debts, would be taken over by the government, which will pump in fresh funding. Piechota concluded by promising that "all persons responsible for the current state of the shipyard will be prosecuted". The company's bankruptcy was supported by PeKaO bank, which is owed ZI 600M (\$149M) and is probably the largest creditor.

## Northrop to Build 12 Navy Ships

PASCAGOULA, Miss. (AP) — Northrop Grumman Corp.'s Ship Systems unit will assume construction responsibilities for 12 San Antonio (LPD 17) class amphibious assault ships, under a memorandum of understanding with General Dynamics Corp. and the U.S. Navy.

In exchange, General Dynamics' Bath Iron Works unit will construct some USS Arleigh Burke class Aegis guided missile destroyers, a contract Northrop Grumman received in December 2001. Bath Iron Works will also be awarded additional work for the missile destroyers, as determined by the Department of the Navy.

Financial terms weren't disclosed.

The original shipbuilding program awarded in 1996 called for Northrop Grumman Ship Systems to build eight ships and Bath Iron Works to build four ships.

In addition, Northrop Grumman will continue to build one DDG 51 a year under a new multiyear contract. The company doesn't expect the reallocation between the programs to impact previously announced financial guidance.

## ROUTE, PORTS & SERVICES

## Shuttle Tanker Time Charter Contracts for White Rose Offshore

Husky Energy Inc. (Husky) announced that time charter contracts have been awarded to Knutsen OAS Shipping A.S. for two newbuild shuttle tankers to transport oil from the White Rose offshore project to market following commencement of production planned for late 2005.

Husky is the operator of the White Rose project, the third major oil field development in the Jeanne d'Arc Basin located about 350 kilometres east of Newfoundland and Labrador. White Rose will be developed using a floating production, storage and offloading vessel (FPSO). Husky awarded contracts for the construction of the FPSO vessel in April.

Husky and Petro-Canada, as co-charterers, signed the shuttle tanker time charter agreements with Knutsen OAS Shipping A.S. of Haugesund, Norway as owner. Knutsen currently owns and operates 14 shuttle tankers servicing oil fields in the North Sea and offshore Brazil.

Delivery of the Suezmax-size vessels, each with a one million-barrel capacity, is planned for the second quarter of 2005. Under terms of the agreement, one tanker will be time chartered for 10 years



## DAILY SHIPPING NEWSLETTER

with options to extend. The second vessel will be time chartered for five years with options to extend. The vessels will be constructed by Samsung Heavy Industries in South Korea.

"These contracts provide us with flexibility and options in our transportation system for the White Rose project," said Mr. John C.S. Lau, President and Chief Executive Officer of Husky. "This is part of Husky's strategic steps in the development of White Rose."

The shuttle tankers will be dynamically positioned, full double hull vessels specially winterized and equipped for operations on the Grand Banks. They will load at the White Rose oil field by tandem mooring to the stern of the FPSO vessel.

Husky Energy Inc. is a Canadian-based integrated energy and energy-related company headquartered in Calgary, Alberta. Husky is a publicly traded company with shares trading on the Toronto Stock Exchange under the symbol HSE.

## Terminal for empty containers to be officially opened today

A terminal dedicated to the handling of empty containers is to be officially opened on the Maasvlakte. Mayor I. Opstelten will perform the official opening of the company called Delta Container Services (DCS), a joint venture between Kramer Container Depots and ECT. The company is based at the premises of Kramer at the end of the Amazone Port and borders on the Delta Terminal of ECT. DCS believes that a timely separation of the flows of empty and full containers can yield savings for the seagoing, coastal and inland shipping sectors. Feeders and inland shipping can be received at the DCS wharf. The idea for a special wharf for receiving and forwarding empty containers was already born 15 years ago, says A. Kramer, who now combines his management position at Kramer Container Depots with the directorship of DCS. ECT's involvement in the project followed later. The agreement between Kramer and ECT includes a provision allowing ECT to use the DCS terminal during peak hours for loading and unloading full containers. But that is only for emergencies, says Kramer's colleague F.J. Dakkus. „ECT is good at full containers, we'll concentrate on the empty ones." The DCS terminal cost a total investment of thirty million guilders. The wharf is 320 metres long and has a water depth of ten metres. The total area covers nine hectares. There is a Noell-crane with a lifting capacity of forty tons. The crane has an outreach and a backreach of 28 metres and can accommodate two barges lying alongside each other. The terminal will be shortly equipped with a video portal system including Cargocard. It has a storage capacity for ten thousand containers, though these are not supposed to lie in storage for any length of time. The entire purpose of the terminal is to return empty containers as quickly as possible to the shipping companies. Kramer: „A container should not be here for longer than a week in principle. Shipping companies want to use their own containers as far as possible rather than lease containers. That's why it's extremely vexing for them if their own empty containers remain unavailable for too long."

Kramer expects DCS to handle a maximum of between thirty and forty thousand containers in the first year of its existence. „And next year we will at least double that figure." Kramer even claims that if Rotterdam is able to offer shipping companies a better empty container service, this will generate more volume for the port of Rotterdam. „We want to fetch lots of empty containers from ports like Felixstowe, Southampton, Hamburg and Antwerp. Particularly in England there are lots of empty containers due to the low pound. We hope to make a difference for the port of Rotterdam."

## Extra P&O NSF departures to Hull

## DAILY SHIPPING NEWSLETTER

P&O North Sea Ferries is stepping up the frequency of its Rotterdam-Hull service with five extra departures as from next week. The freight ships '[Norqueen](#)' and '[Norcape](#)' that are to be used on the route have a capacity for 450 lorries. Elsewhere, P&O NSF will be cutting 48 jobs at its Zeebrugge location due to the termination of its Felixstowe-Zeebrugge service in July. P&O Stena Line is also discontinuing its service between Zeebrugge and Dover.

## NAVY NEWS

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

28 Jun 02	HNLMS Tjerk Hiddes	F 803	Amsterdam
28 Jun 02	HNLMS Tydeman	A 906	Terneuzen
09 Jul 02	HNLMS Tydeman	A 906	Amsterdam
12 Jul 02	HNLMS Van Amstel	F 831	Den Helder
12 Jul 02	HNLMS Abraham Van Der Hulst	F 832	Den Helder

## 250 British navy men here on R&R

Despite the existence of security risks, 250 personnel of the British navy will be allowed shore leave as part of their R&R (rest and recreation) during their five-day visit here.



Commander Richard Farrington, commanding officer of the 22-year-old, type-42 destroyer [HMS Nottingham](#), said the British navy personnel aboard his ship have been briefed on the risks of traveling to the Philippines and have received copies of the latest travel advisories issued by the governments of the United

States, Japan and the United Kingdom.

The [HMS Nottingham](#), an air defense destroyer capable of intercepting air attacks and attack aircraft, is docked at Manila South Harbor's Pier 15.

"Of course they (ship's crew) can go ashore," Farrington said, adding that the sailors were reminded to avoid problems that may arise from violence, crime and prostitution during their shore leave.

## DAILY SHIPPING NEWSLETTER

"There are security concerns, but I'm confident that our friends in the Philippines will look after us. There are risks here and we've advised the sailors of the risks," he said.

The last British naval vessel to visit Manila was the *HMS Cornwall*, which came two years ago.

One of the highlights of the *Nottingham's* visit will be the Defense Industry Day celebration on board the ship on Thursday. During this celebration, demonstrations of the ship's capabilities and equipment will be made, including an inspection of the destroyer's SeaDart missile system – which is similar to the US Navy's standard missile system designed to intercept supersonic missiles and aircraft.

Farrington also said the *HMS Nottingham's* crew would give advice and assistance to the Philippine Navy, as well as discuss with their Philippine counterparts methods of conducting operations in economic exclusion zones - which cover key areas in the Philippine archipelago - as well as maritime operations and coastal security concerns.

"We are looking forward to a good exchange of views on how to combat the modern problems of the maritime world," Farrington added.

The ship sailed from the UK in the middle of March and visited Djibouti, Africa, Sri Lanka, Vietnam, Thailand, Brunei, Sabah and Singapore before docking in Manila. From the Philippines, the destroyer will sail to Australia and New Zealand before returning to Singapore for major exercises, as required by the mutual defense pact between the city state and the UK.

The British navy also conducted training exercises last Sunday with Philippine patrol vessels and their crews at the Malampaya gas fields.

Personnel of the British Royal Navy will also deliver lectures on maritime interdiction, but Farrington added that "I'm not expecting to do any live firings or have any fighter aircraft and live action. We're not expecting (the *HMS Nottingham*) to operate as an air defense ship."

The overall mission of the British Royal Navy, Farrington said, is not for any specific anti-terrorist campaign, but to promote British interests in the Far East and improve relations between the UK and the Philippines at the military, diplomatic and trade level – in support of British businesses in the country.

Farrington added there could be a possible meeting between the *HMS Nottingham's* crew and their US counterparts in the country during a reception aboard the destroyer last night.

## MOVEMENTS



## DAILY SHIPPING NEWSLETTER



The **EXCELSIOR** of Grimaldi Lines enters the harbour of Genua Monday June 17<sup>th</sup>.

Photo's : Piet Sinke



## AIRCRAFT / AIRPORT NEWS

## DAILY SHIPPING NEWSLETTER

### JETS GO



A McDonnell Douglas MD-83 (DC-9-83) of the new JETS GO Airline at Toronto June 16<sup>th</sup>

Photo : John Kelley



A C-130 air tanker aircraft plunges to the ground after catching fire and breaking up in the air, its wings folding up and falling off in a ball of flame, while fighting a fire near Walker, California, June 17, 2002. All three crew members were killed when the aircraft spun into the ground just moments later

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>