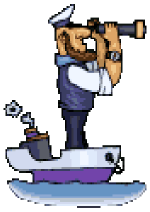
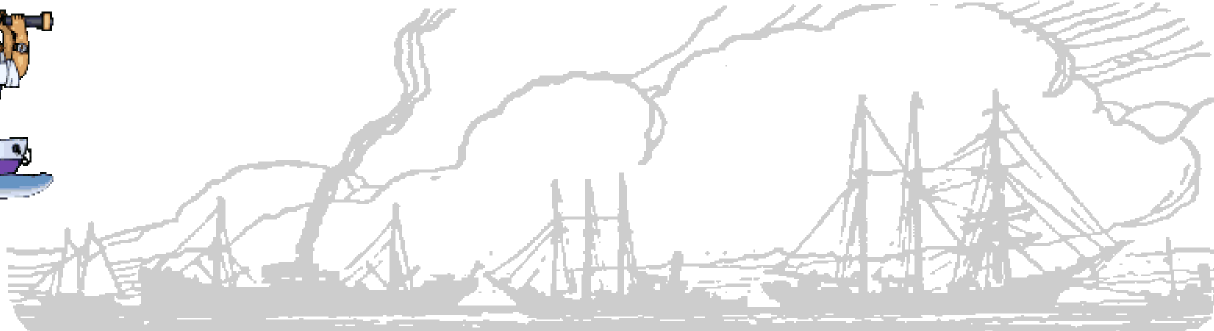
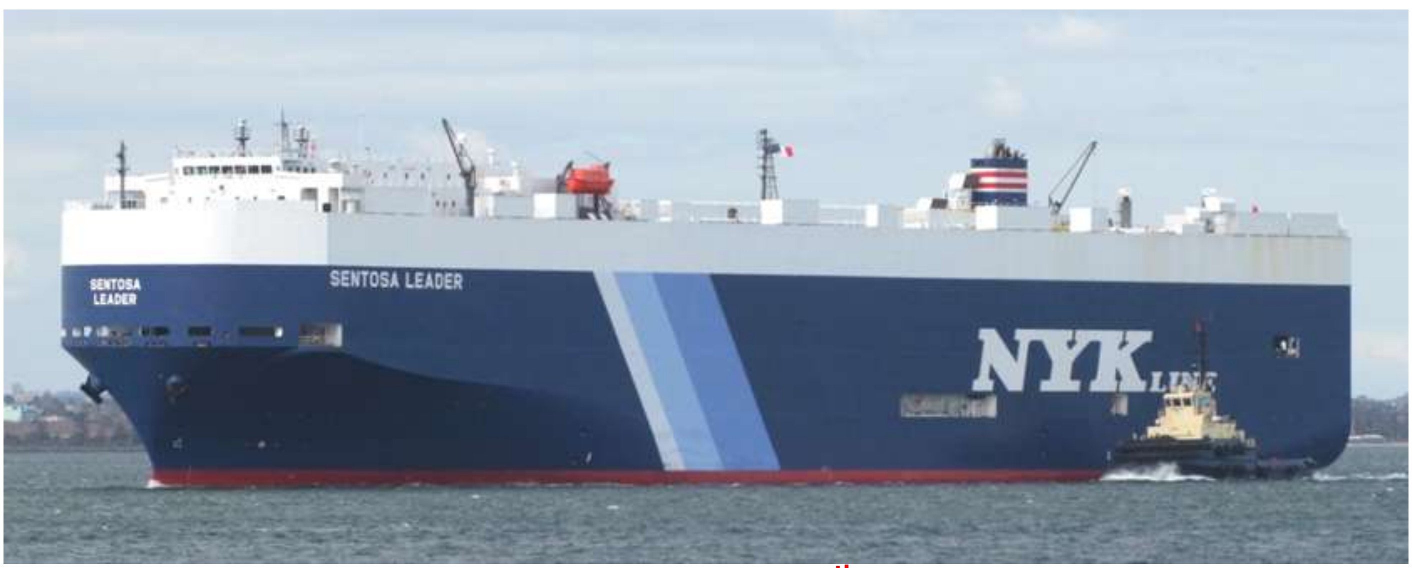
DAILY COLLECTION OF MARITIME PRESS CLIPPINGS 2010 – 257





Number 257 * COLLECTION OF MARITIME PRESS CLIPPINGS *** Tuesday 14-09-2010**

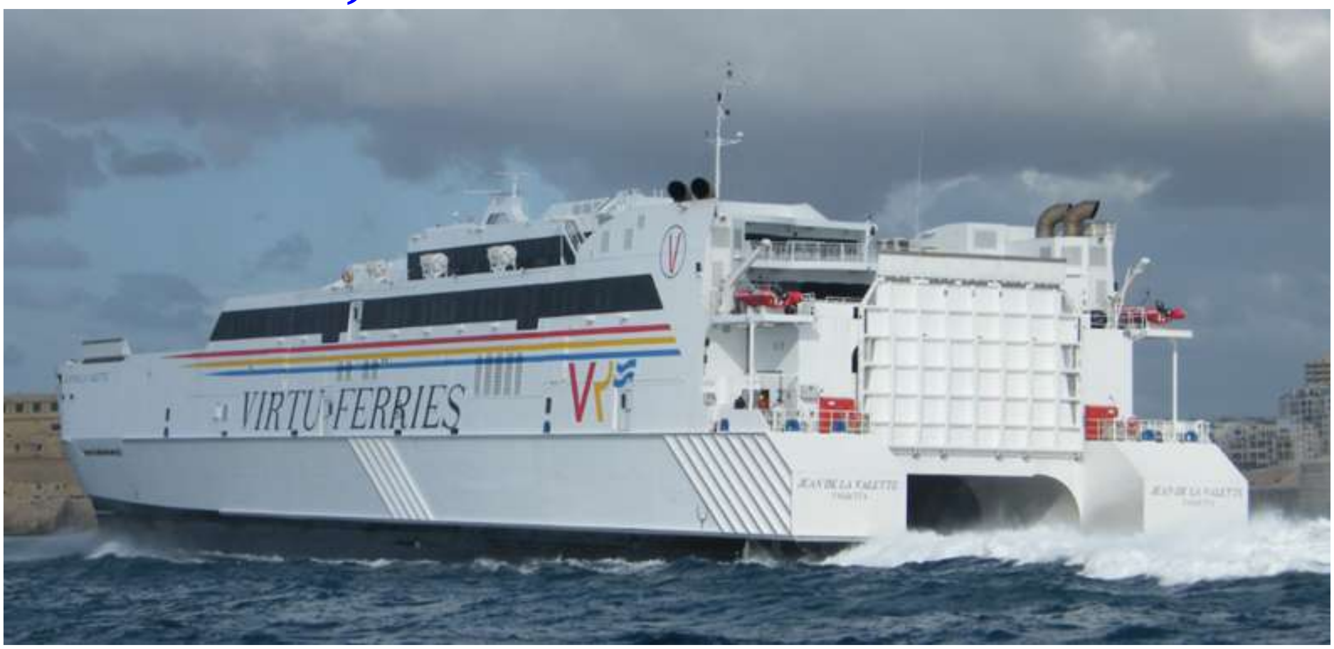
News reports received from readers and Internet News articles copied from various news sites.



New build Sentosa Leader arriving September 12th Melbourne assisted by recently relocated Svitzer tug Tarpan, from Adelaide.
Photo : Andrew Mackinnon ©

Dear Readers,
As mentioned last week, to improve the quality of the photos and advertisements in the newsclippings, i had changed the PDF setting, what resulted in a slightly larger newsletter 1500 kb instead of 1250 kb, but it appeared that readers onboard vessels / offshore units did not receive the newsletter anymore due to the size, because it is a newsletter also for seafarer/offshore workers, i have decided to go back to the original settings as before, to keep more people happy around the globe,
Sorry for the inconvenience

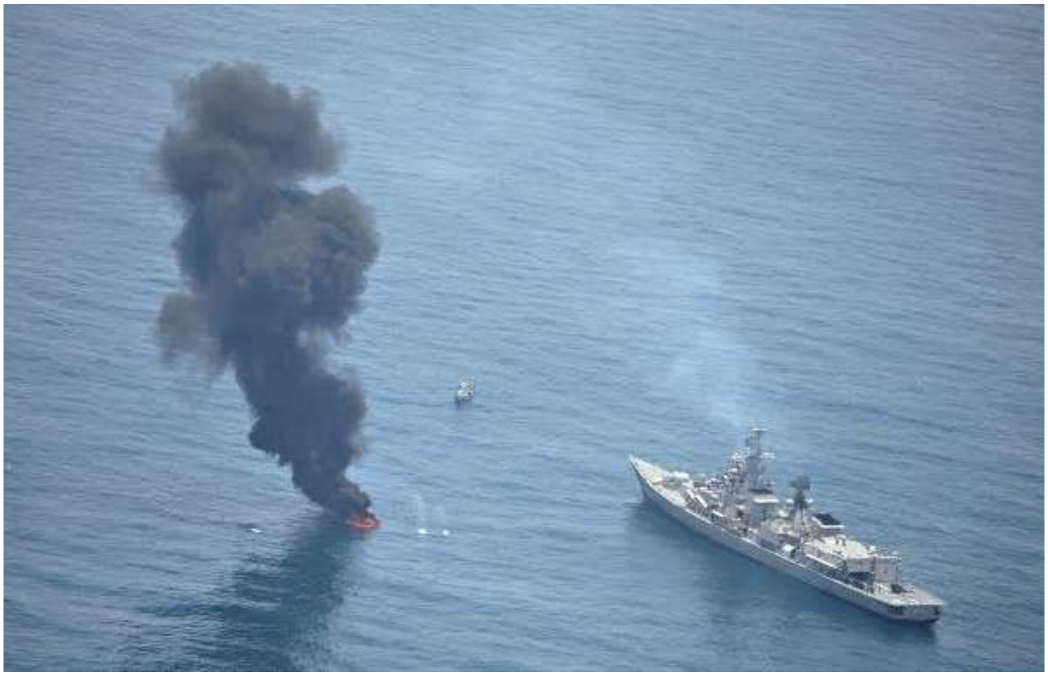
EVENTS, INCIDENTS & OPERATIONS



The brandnew AUSTAL built **JEAN DE LA VALETTE** ferry arrived in Valetta **- Photo : Anthony Chetcuti ©**

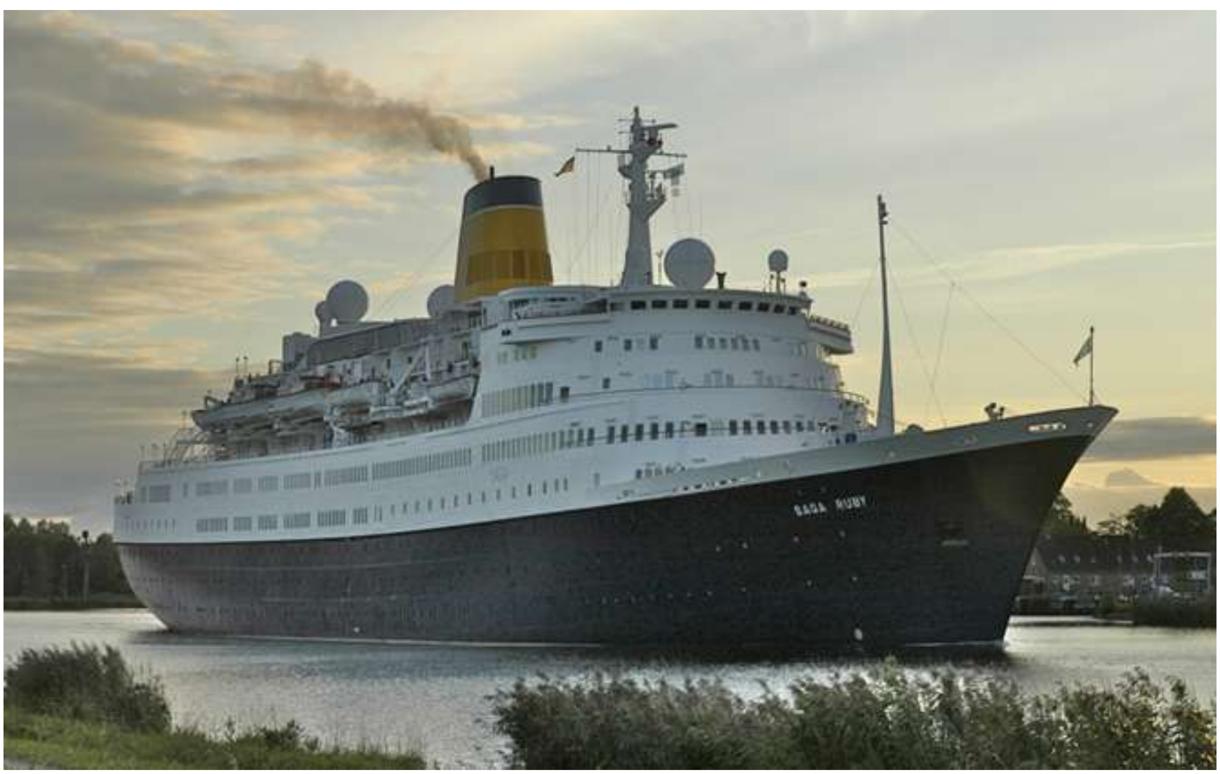
Pirates attack Japan ship, no crew injured

Pirates boarded a Japanese auto transport ship and robbed its crew off Indonesia late on Friday, but no one was injured and the undamaged ship resumed its voyage, Japanese media quoted the Transport Ministry as saying. The incident comes at a time over heightened concerns over ship safety after a vessel owned by Mitsui OSK Lines was damaged near the Strait of Hormuz in July by a suspected explosion. Pirates boarded the ship named **Cheerleader,** operated by Japan's Nippon Yusen KK, tied up members of the crew, stole money and fled while it was sailing off the Indonesian province of Kalimantan in the island of Borneo. The 19 crew were unharmed. This is the 10th pirate attack on ships operated or owned by a Japanese company so far this year. The tanker was heading to Jakarta from Japan's Kobe, Sankei newspaper said. **Source : zeenews**



On 05 Sept, while on anti-piracy mission in the Gulf of Aden, Indian Navy destroyer **INS Delhi** successfully neutralised a pirate boat while escorting merchant vessels. **INS Delhi** deployed in the Gulf of Aden since mid-July 2010 was escorting 12 merchant vessels including **Jag Ratan**, an Indian Flag merchant vessel. At about 1215h on 05 Sept in a position 180-km north of the Somali Coast, in the International Recommended Transit Corridor, a boat was detected approaching the formation at high speed.

Sensing that the boat may pose a risk to ships being escorted, **INS Delhi** safely maneuvered the formation of merchant ships away and intercepted the boat. A helicopter was launched to provide aerial cover to the merchant vessels and the boat "**Bareeda**" was successfully intercepted, forced to stop and boarded by a team of Marine Commandos from **INS Delhi.** On investigation a cache of arms and several fuel drums and ship boarding equipment were found. There were 7 Somali and 1 Yemeni national as part of the crew. The men were disarmed and excess fuel on the boat was disposed off by the boarding team. Since the Indian Navy started it's anti-piracy operations in Oct 2008, over 1,200 ships have been escorted. This is the 16th piracy attack that has been prevented and not a single ship under escort of Indian Navy has fallen prey to pirates.



The **SAGA RUBY** seen passing the Kiel canal – **Photo : Pim Korver FILM+VIDEO ©**

Tensions Build

China has demanded that Japan "unconditionally" frees the captain and crew of a fishing boat it seized in disputed waters. China's foreign minister summoned the Japanese ambassador to Beijing for a third time to make a formal protest.

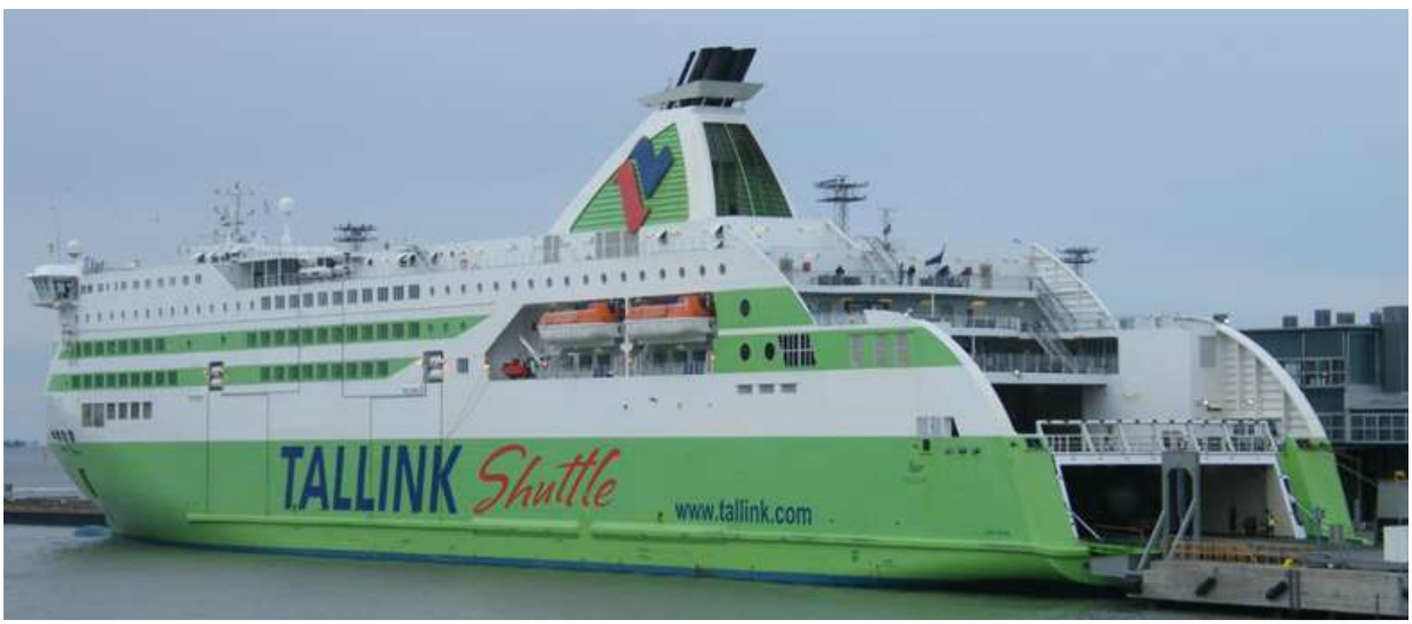
The Chinese trawler collided with two Japanese patrol boats on Tuesday near islands in the East China Sea that are claimed by both China and Japan. Beijing says it is sending a law enforcement ship to the area. The foreign ministry said this was to safeguard order in the fishing zone and protect the safety of Chinese fishermen and their assets, according to local media. The exchange of protests between China and Japan has something of the air of a ritual. For now neither country seems to want to dramatise the incident. But the episode illustrates the underlying tensions in the region where competing claims for small island territories reflect major strategic and economic issues.

Oil and gas rights could be valuable assets for the future.

But the continuing maritime tensions between China and its neighbours reflect a growing desire by the Chinese to pursue a more expansive naval strategy and to break out from the containment of the island chains that stretch from Japan to Taiwan and well into the South China Sea. The area is close to uninhabited islands, known as Senkaku in Japan and Diaoyu in China, which are controlled by Japan, but are also claimed by China and Taiwan. In recent years, Chinese activists have sailed to the islands on a number of occasions to assert China's territorial claims. The Japanese suspect the Chinese vessel deliberately rammed the Japanese boats, and are deciding whether to charge the captain.

There were no injuries, and the two Japanese vessels sustained minor damage. Beijing has warned of a "serious impact" on relations if the situation is not resolved. China's Foreign Minister Yang Jiechi told the Japanese ambassador that "the Chinese government's determination to safeguard the sovereignty of the Diaoyu islands and the nation's people is firm and steadfast". It comes a day after China's foreign ministry described Japan's handling of the incident as "absurd, illegal and invalid".

Analysts say this latest incident is unlikely to disrupt Japan-China ties but it underscores the inevitable tensions as China's maritime ambitions grow. **Source : ShipTalk**



The **STAR** seen moored in Helsinki (Finland) – **Photo : Lenie Kleingeld ©**

Bulk ship rates seen rallying on key routes

FREIGHT rates for large dry bulk carriers on key Asian routes are expected to rally next week, analysts and shipbrokers said yesterday, as Chinese steel producers book iron ore vessels for fourth-quarter production.

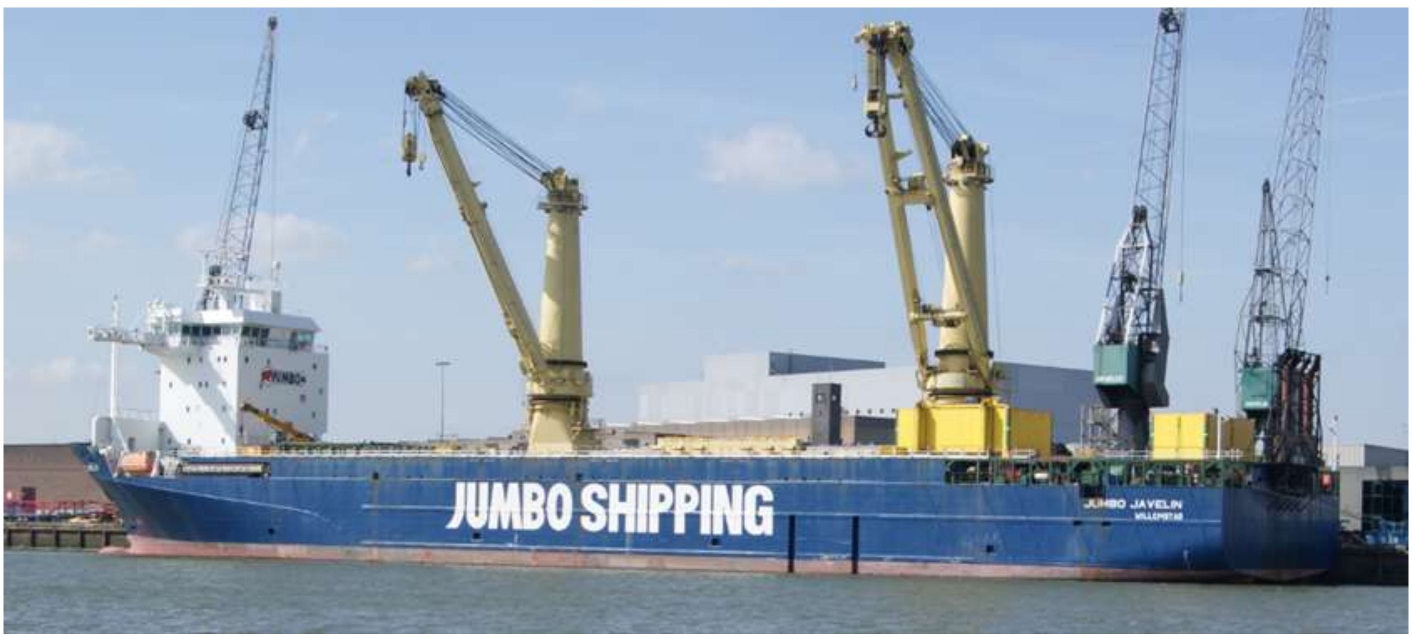
In the panamax market, quarterly contract requirements for coal, iron ore and grains were seen driving rates higher in Asia. Capesize fixture rates on the key iron ore route into China from Western Australia climbed to US$11.97 per tonne from US$11.10 last week.

The bullish sentiment comes despite China's decision to sharply cut production at 48 steel mills in the northern province of Hebei. Traders said that China would still be expected to import more iron ore than last year.

'With growing sentiment for the final quarter of the year - based on the belief mills will up their buying as commodity prices fall - many still believe 2010 will see another increase in Chinese yearly imports,' said broker firm Barry Rogliano Salles in its weekly report. The rate for capesize vessels from Brazil to China were seen rising to fresh three-month highs after hitting US$29.42 per tonne on Wednesday from US$27.69 last week.

Pioneer Logistics booked a 150,000-tonne capesize carrier to leave Brazil's Itaqui port for China in the next few weeks for US$32.50 a tonne. The Baltic Exchange's main sea freight index rose 1.95 per cent, or 57 points, on Wednesday to 2,975 points in an eighth straight session of gains.

In the panamax market, the Baltic's rate for vessels travelling via the transpacific route rose to a three-month high of US$27.961 a day on Wednesday, up from US$22.784 last week. The Baltic's panamax index rose 1.57 per cent on Wednesday, with average daily earnings up at US$27,028. **Source : Reuters**



The **JUMBO JAVELIN** seen moored in the Waalhaven (Rotterdam) - **Photo : Gerrit Altena ©**

P&O set to cut jobs in major restructure

Up to 15% of Dover staff may go as ferry operator acts to cut costs Ferry operator P&O Ferries has warned employees that up to 15% of its Dover workforce may lose their jobs in a major restructure of the firm.

In a letter to senior staff, seen by IFW, CEO Helen Deeble said: "Any proposed job losses will be subject to full consultation and may be phased-in over time." Following the letter, the ferry firm told staff that up to 70 jobs could be lost at its Dover HQ. It blamed "continuing competitive pressures, falling revenues and rising costs", and the announcement follows from a warning from Deeble last month that the performance of the company was "going to require urgent attention".

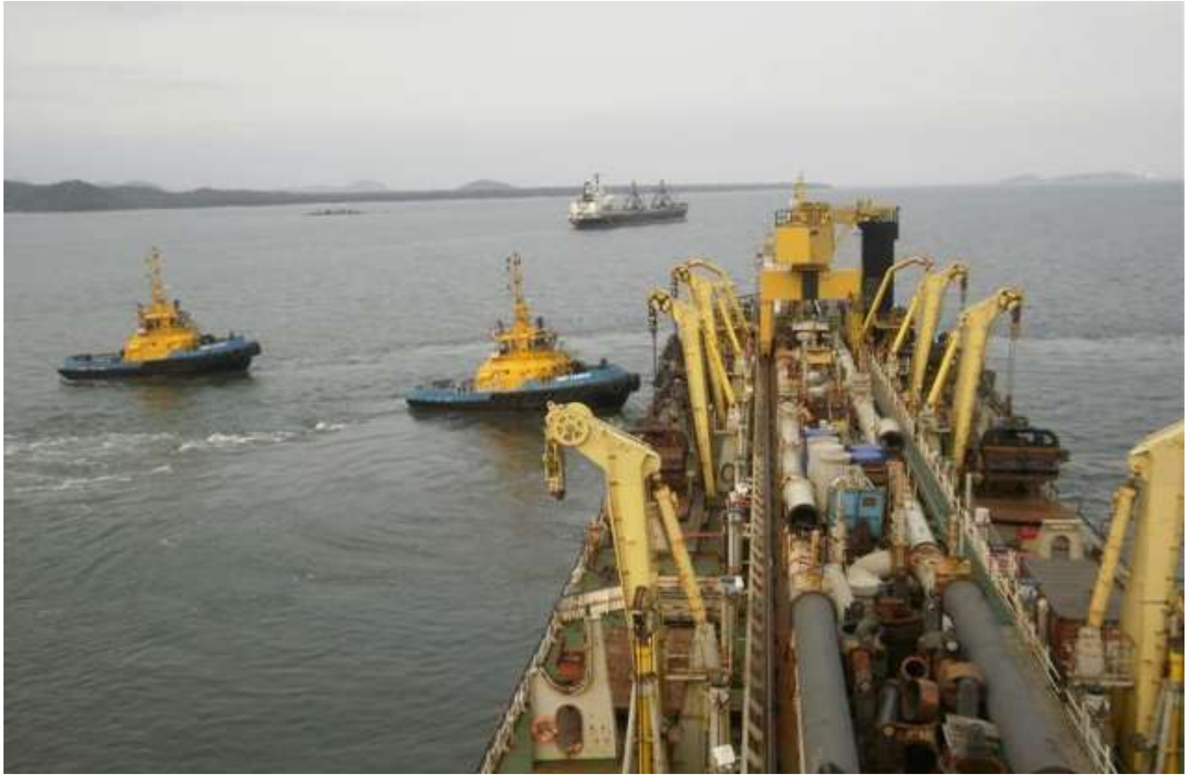
All staff were told: "We have, therefore, undertaken a review of all overhead costs across the business. We have looked at every cost line, plus headcount and organisation structures." Managers in the IT and finance departments are among those whose jobs are at risk when the company begins streamlining its current activities. And currently there are individual directors for the freight, tourism and on-board services departments, but these roles will be streamlined, creating the role of a single Commercial Director.

The announcement added: "We will be launching a Business Response Scheme, which enables individuals across the business to volunteer to work part-time or take unpaid leave of up to 12 months before the end of 2011."
P&O has also told its employees it was reviewing the future affordability of its final salary pension scheme. "The funding of many of our schemes is a significant and rising cost to our business, both in terms of annual ongoing cost and deficit payments," Deeble told staff.

Steve Todd, National Officer for the Rail Maritime and Transport (RMT) union, said: "This is another kick in the teeth for the British ferry industry and for the port of Dover. "Dover is now facing the twin threat of repeated job losses and reductions in service from the ferry operators and an ill-conceived privatisation plan that, combined, could seriously jeopardise the whole future of the port." Consultations with P&O staff and their representatives will begin on Monday. In her letter to senior staff, Deeble said: "Given that we carry one million pieces of freight each year, every £1 reduction in the freight rate means £1 million less income. "On the cost side, our fuel and labour costs and port dues continue to increase. We have also invested heavily for the next 30 years in two new vessels, but have taken-on loans, increasing our monthly interest payments.

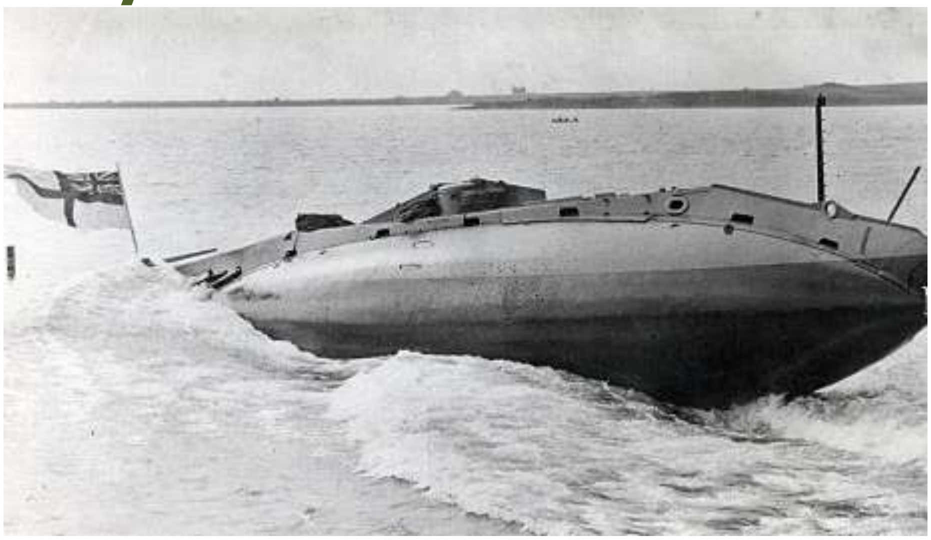
"We don't want to make a knee-jerk decision which damages the long term future and direction of the business.

"I am not keen to reduce capacity and frequency as a cost-saving solution, as our customers really value the reliability, frequency and scale that we offer, and we should be trying to protect front line services to the customer as much as possible." She added: "We had an aim to reduce our central costs to 5% of turnover over the next five years but, with revenue falling, our costs were not reducing quickly enough to keep pace." **Source : IFW**



Above seen the **SMIT TAPEBA** & **SMIT TAMOIO** greeting the Boskalis THSD **SEAWAY** in Paranagua Brazil
Photo : H. de With ©

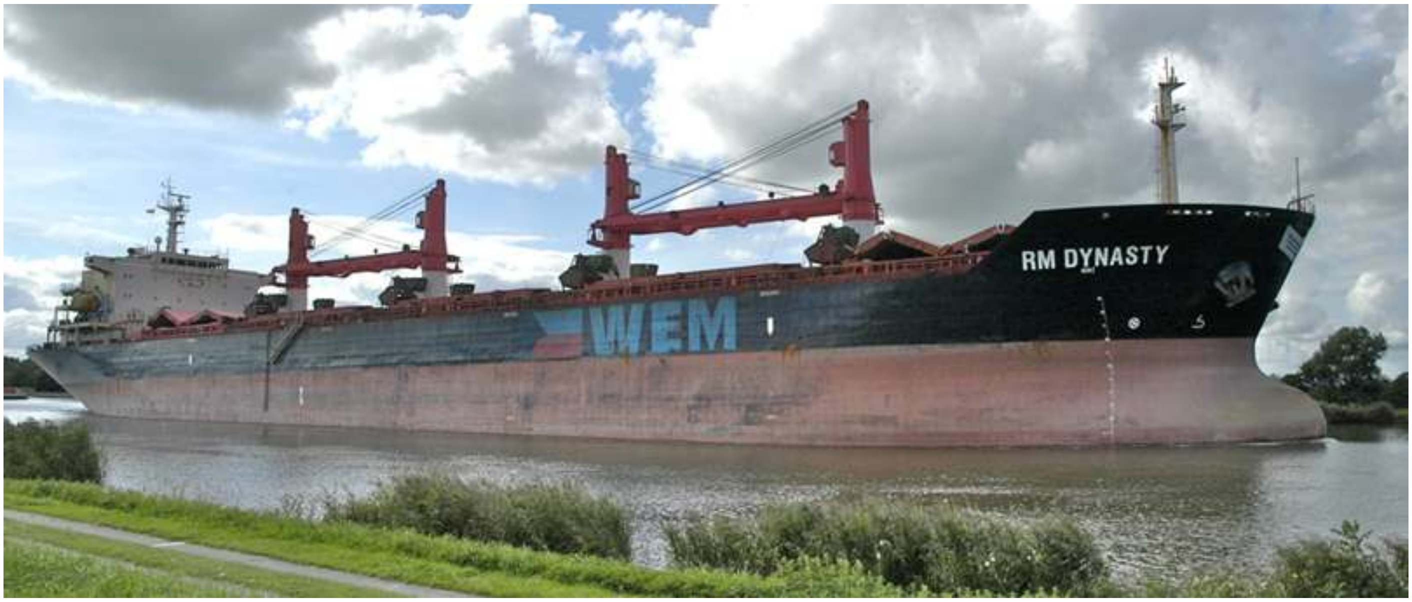
Wreck of 'protected' Royal Navy sub plundered by thieves who dived down 90ft to reach it



The wreck of an historic Royal Navy submarine has been plundered by thieves who dived 90ft to the sea bed to remove part of it. **HMS Holland**, which sank in bad weather off the Sussex coast while being towed to a scrapyard in 1912, is protected by law because of its historical importance.
Now police are investigating after divers from the Nautical Archaeology Society discovered during a routine check that its torpedo tube hatch is missing.

Thieves are thought to have floated the 66lb piece of ironwork to the surface in 90ft of water by attaching buoyancy balloons. Experts say it was an audacious raid which may have been carried out at the request of a collector with an interest in naval history. Both Sussex Police and English Heritage, which is responsible for the wreck's care, have appealed for the return of the artefact and hope that someone in the diving community may provide them with a lead. Police say that whoever took the hatch, which is about 30in in diameter, is liable for prosecution under the Protection of Wrecks Act. The **Holland 5**, as the wreck is known, lay undiscovered until the mid-Nineties. It is the only surviving example of five Holland class vessels commissioned by the Admiralty to test the fighting capability of submarines, which were at the time a relatively new type of technology. They were top secret and only a few senior officers and crew knew of their existence.

The submarines were built by Vickers at Barrow-in-Furness between 1901 and 1903. The 64ft-long vessels were fitted with one of the first periscope designs, had a top speed of 9.2mph and a crew of eight. But they were unreliable – an attempt in 1903 to sail round the Isle of Wight on the surface ended in four of them breaking down before they had covered much more than four miles. Britain was one of the last major maritime powers to form a submarine fleet because senior Admiralty staff considered it to be unacceptably devious to attack the enemy from beneath the waves.
Admiral Sir Arthur Wilson, Controller of the Royal Navy, said in 1901 that submarine warfare was 'underhand, unfair and damned un-English'. **Source : DailyMail**



The **RM DYNASTY** seen passing the Kiel canal – **Photo : Pim Korver FILM+VIDEO ©**

Chesapeake Bay Maritime Museum Acquires Tug Huntington's Pilot House

Newport News Shipbuilding and Dry Dock Company (NNS) Apprentice Alumnus Bill Lee vividly remembers standing to port of Huntington's pilot house on Memorial Day in 1980. Amid whistles blowing and veteran shipbuilders cheering near Hampton Roads on the Chesapeake, water cannons from the vintage tug and other vessels pointed skywards all around the NNS-built NIMITZ, California and Texas in welcoming their returning sailors' home.

It was all part of the shipyard's flagship tug Huntington's active service, which began in 1933 at NNS as a hands-on learning experience for the shipyard's apprentices. After 58 years of service assisting 30,000 vessels, the tug was retired, brought back into service, and later became a floating museum before the boat was scrapped in Jacksonville, Florida in spring 2010. Fortunately, that same pilot house that Lee remembers is now at the Chesapeake Bay Maritime Museum (CBMM) in St. Michaels, Maryland, and will soon carry forward the rich maritime history it holds for generations that follow.

With generous support from Chesapeake Shipbuilding, McAllister Towing, NNS Apprentice Alumnus Hudson Haile, and individual donors, the pilot house and captain's quarters of the once steam-powered screw tug Huntington – complete with furnishings and fittings, arrived by low-rider truck at CBMM on June 15, 2010. With the pilot house's restoration charted, CBMM plans a special exhibit on tugs and marine transportation possibly to be done in conjunction with the 100th anniversary of the launch of the Museum's tug Delaware in summer 2012. Pending restoration, the Huntington pilot house may be located near the exhibition gallery and fitted out for Museum visitors as part of this exhibit. After the special exhibit closes, the pilot house is expected to be incorporated into a forthcoming long-term exhibition on maritime trade at the 18-acre, waterfront Museum.

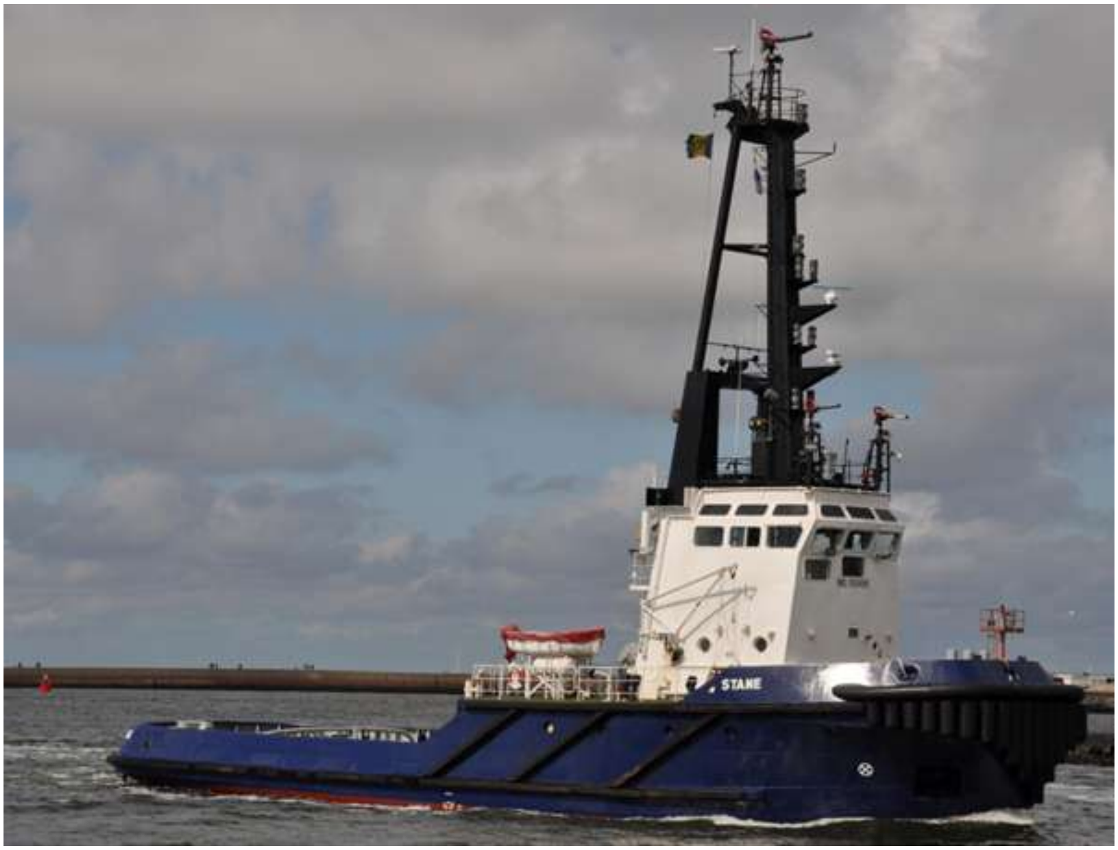
NNS owned the Huntington (NNS Hull #356) up until 1990. Built almost entirely by apprentices for the shipyard's own use, the vessel's beam was increased by one foot over the 28-foot dimension previously used for her near-sister, C&O tug W.J. Harahan; also built at NNS. Huntington's wider main deck meant she could work more efficiently alongside ships without the smokestack and bridge contacting the ship's flared sides. Considered the finest tugboat of her time in Hampton Roads, Huntington's crew referred to her as the "Queen of the Harbor." She had only three Masters during her time of service at NNS: Captain R. A. Callis, Captain M. L. Ambrose and Captain Reggie Hunley.

With a large American flag flown at her stern, the Huntington was christened at a gala launching on October 11, 1933. The tug's sponsor and shipyard president's granddaughter, seven year old Anne Gordon Ferguson, smashed the ceremonious champagne bottle against the tug's bow bitt, despite prohibition. Huntington reached top speeds of 10 knots during sea trials and was often noted as quieter, more comfortable and faster than many other tugboats at the time.

Huntington had accommodations for a crew of five, with traditional tugboat craftsmanship seen in the vertical strips of finely-finished wood paneling in her living spaces and pilot house. The pilot house originally sported a hand-carved gilded eagle with a five-foot wing span, which contributed to the tugs appearance as a showboat. In 1950, she underwent a major overhaul, including the replacement of her original coal-fired boiler and reciprocating steam engine with a 1200 HP diesel engine. At that time, the gilded eagle and brass steam whistle were also removed and donated to the Mariners' Museum in Newport News, VA.

In 1992, she was sold to Bay Towing Corporation, and worked towing barges up to Baltimore. She was later sold to Rover Marine in 1996, when the Huntington was converted from a workboat to a floating museum and placed on the National Register of Historic Places. Ownership transferred to the Palm Beach Maritime Museum in 2007 with hopes of restoration that did not become realized. In spring 2010, Huntington was scrapped by Salonen Marine, Inc., of Jacksonville, Florida, but the pilot house was salvaged, thanks primarily to the efforts of Hudson Haile, and donated to the Chesapeake Bay Maritime Museum.

Tugs are and have always been a vital part of maritime transportation, especially maritime trade along the coast and within America's inland waterways like the Chesapeake Bay. Oil, containers and other materials are moved at less cost per ton-mile by water—including tug and barge—than any other mode of transportation. From docking ships to fighting fires, tugs accomplish a variety of jobs on the waterfront that occur largely out of the public eye. Yet this story has not been widely told, and this aspect of maritime transportation has been somewhat underrepresented in the Chesapeake Bay Maritime Museum's collections and exhibits. The handsome Huntington pilot house will help to change both this perception and reality. **Source : PR-USA**



The 1978 built **Stane** (ex Stanechakker) seen arriving in IJmuiden for bunkers, the 37 mtr long tug is enroute from the Shetlands with a **REDWISE** crew onboard to Lagos (Nigeria) West Africa, where she will work for her new owner Wavenrie Ltd, based in the British Virgin Islands.

Photo : Marcel Coster ©

ALSO INTERESTED IN THIS FREE MARITIME NEWSCLIPPINGS ?
PLEASE VISIT THE WEBSITE :
WWW.MAASMONDMARITIME.COM
AND REGISTER FOR FREE !

Tanker market lingering backwards

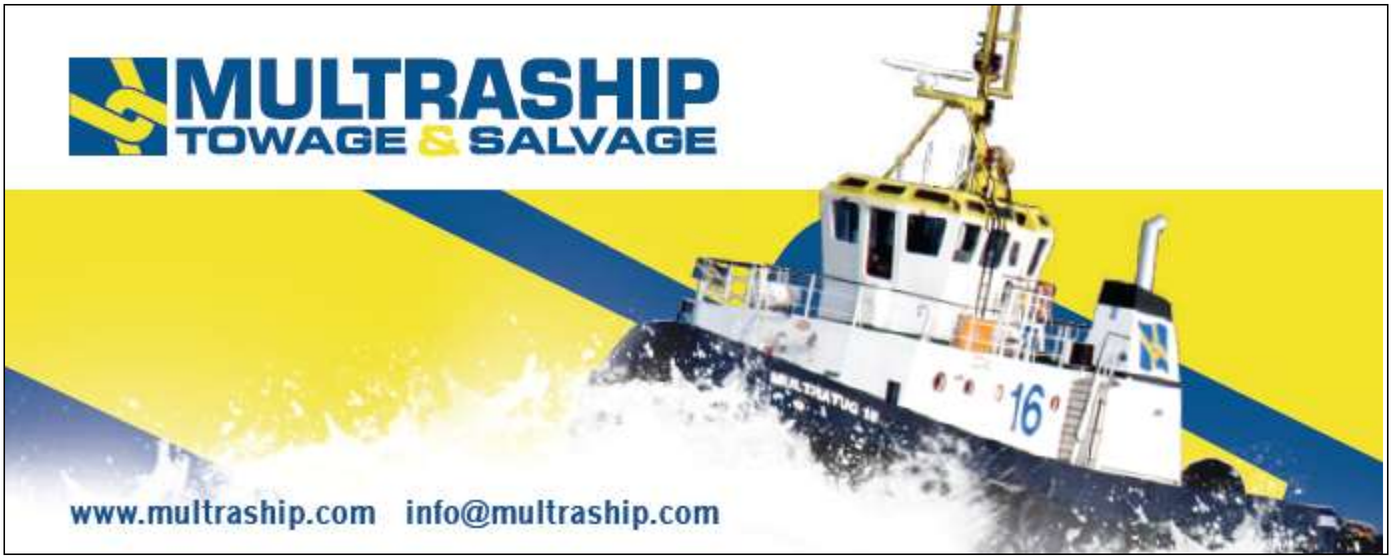
The tanker market seems to be sending out distress signals lately with the past week proving to be another difficult one for tanker owners, posing a direct threat of turning the clock back to where it was 20 months ago. According to a weekly report by Gibson, "at that time a high tanker orderbook was supported by firmer rates, but the demand prospects were uncertain. Also, the general view was that the industry would require some major adjustment to the delivery schedule. We attempted to make some sense out of the tanker orderbook given the collapse in oil demand and the consequential forward demand for tankers.

In this exercise we made assumptions based on vulnerable shipyards, vulnerable owners and the possible scaling back of multiple orders which resulted in potential cancellations of 25-30% to the orderbook. Four months later, our market report focused on how few tanker cancellations had been witnessed compared to drybulk. However, at that time it was still too early to forecast cancellations, as the tanker market remained firmer than the dry market. Government intervention through stimulus packages in both Korea and China meant that few shipyards were allowed to fail and at the same time surges in market rates and support from the banks meant that there have been few tanker ownership failures or mergers. Today the tanker cancellation situation has changed little, in fact quite the reverse in terms of the amount of fresh ordering being placed at the lower pricing regime apparent today.

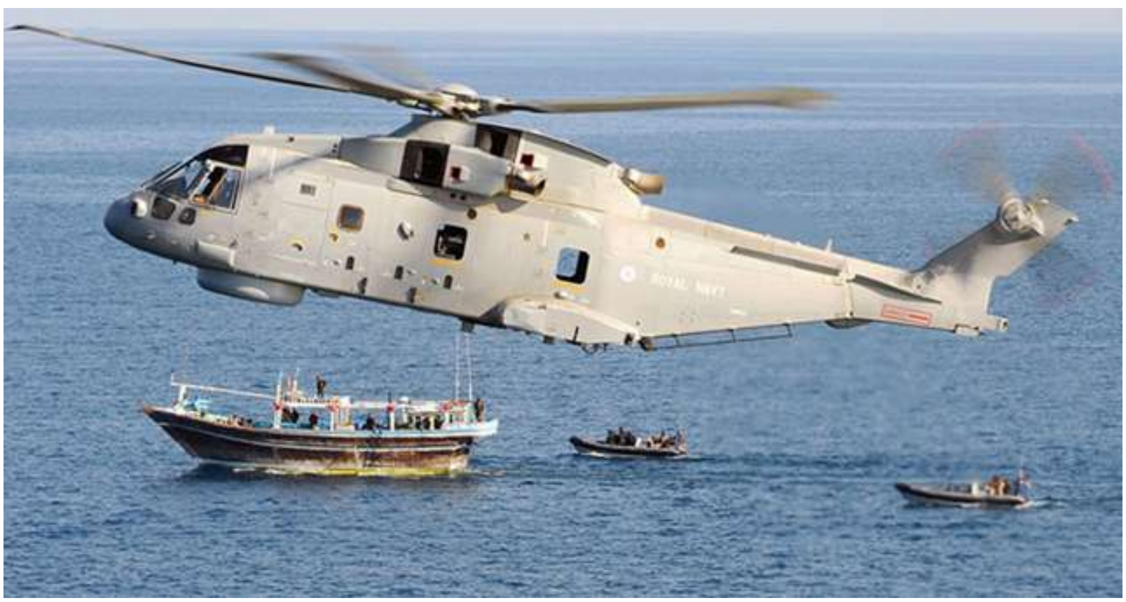
The few cancellations that have come to light show that most have been removed from next year's orderbook. With the exception of the MR sector, Suezmaxes have experienced the most cancellations, which is perhaps ironic given that this sector has also seen 78 fresh orders so far this year. Many of the tanker cancellations have in fact been converted into orders for other types of vessel, in particular bulkers. In terms of the deadweight 23% of the current tanker orderbook has been placed this year alone. With freight rates again under severe pressure in most sectors, often struggling to reach fixed operating costs, and coupled with the continuing supply of newbuildings, to say the next 18 months will be challenging is perhaps an understatement. Owners returning from their summer breaks will certainly have a great deal of thinking to do. Keeping tankers employed will be tough enough let alone making any significant inroads into paying off debt. Will we once again be looking at a cancellation scenario or will owners struggling to break even on today's rates be forced to sell assets to ensure survival through any prolonged recession?

In terms of the crude market, the past week didn't display any surprises in terms of rate behavior. Still, according to Gibson, eventually the mould will be broken, and when it does, it will be in an upward direction. "With Ramadan at an end, and mopping up operations also beginning to come to an end for September barrels, next week will turn minds towards finalising the October programme, and fresh battle lines can be drawn once again. Rates remained firmly fixed in the high WS 40's East and mid WS 30's West for doubles, with singles willing to sell themselves significantly cheaper for those that could take advantage. Suezmaxes tossed and turned, but didn't find enough to turn a modest position list into any financial gain, and rates settled at, or a little under 130,000 by WS 80 East and mid WS 60's West with little early change forecast. Aframaxes ticked up slightly to 80,000 by WS 100+ for Singapore, as expected, on a more intransigent sentiment developing amongst owners and a bit more action with the further East markets. Charterers filled their shopping baskets with more Suezmax bargains, and eventually the sheer weight of interest caused some intrepid Owners to ask for a few dollars more, and were duly rewarded. The gain was very modest though - to a peak of 130,000 by WS 67.5 for US Gulf, and by the weeks' end it looked as if enough momentum had been lost to prevent any further rise. There is certainly a platform for improvement next week, but the pattern of fixing will dictate whether or not that converts into a springboard. VLCCs had a slow time of it for inter Atlantic trades with the odd deal reported at down to 260,000 by WS 45 for US Gulf. Eastern interest picked up a little, particularly to India, but ballasters from that area forced rates down to a lowly USD 2.3 million for West Coast India, with runs to the Far East pegged at, or a little above WS 50" the report concluded. **Source : Nikos Roussanoglou, Hellenic Shipping News Worldwide**

CASUALTY REPORTING



NAVY NEWS



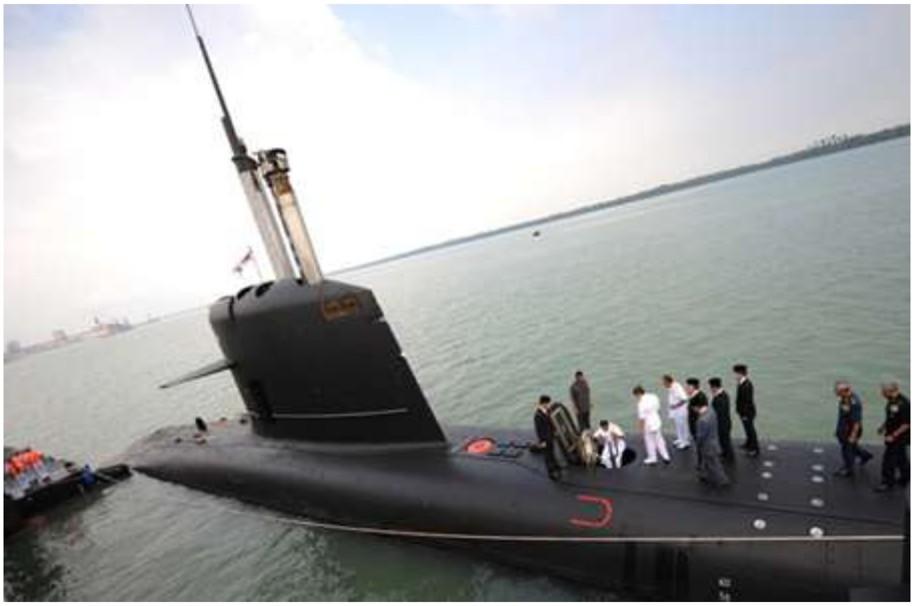
A **Royal Navy Merlin** helicopter provides cover for a Royal Marines boarding party as they stop and search a dhow during counter-piracy operations **Photo : MOD 2010 ©**

Malaysian PM says mechanism needed to solve dispute with Indonesia

Malaysian premier Najib Razak says a better mechanism is needed to resolve border issues with Indonesia, following a maritime dispute that sparked angry protests, a report said Sunday. Tensions between the two neighbours flared-up last month, triggered by the detention of Malaysian fishermen and Indonesian officials in disputed waters, leading to protests including the flinging of feces at the Malaysian embassy in Jakarta.

Najib, who spoke to Indonesian president Susilo Bambang Yudhoyono on Friday to extend Eid al Fitr greetings, said both leaders agreed to more talks and a mechanism to resolve border disputes in future, the Star daily reported.

"We must do whatever it takes to ensure that we do not destroy [our relationship] because our links go deep, whether in the fields of economy, social or politics," Najib was quoted as saying. "There needs to be a mechanism to help resolve border issues between the two countries and . . . the need for more talks to enhance the relationship," he added. An aide to the premier confirmed his remarks but refused further comment.



Last week, the two countries' foreign ministers met to agree on measures aimed at preventing a recurrence of the August 13 incident which saw seven Malaysian fishermen detained in disputed waters off southern Malaysia by Indonesian authorities who accused them of straying into their territory. Three of the Indonesian officials were also detained by Malaysian maritime authorities who intercepted the group as they were being taken back to Indonesia. All have now been released.

The two sides have agreed to hold meetings in October and November to resolve the maritime border issue with discussions covering zones in the Sulawesi Sea, the southernmost part of the Straits of Malacca, the South China Sea, and possibly the Singapore Straits. Malaysia has said that if there was no resolution, the border dispute could end up in the International Court of Justice in The Hague. **Source : The Province**

Investigation after crane drops heavy load on nuclear sub

The Ministry of Defence has launched an investigation after a crane dropped a heavy load on to a new nuclear submarine berthed at Faslane naval base on the Firth of Clyde. The accident happened on September 3, but was only revealed after enquiries from the Sunday Herald following a tip-off from insiders. **HMS Astute,** the Royal Navy's latest reactor-driven submarine, was hit by a ramp slipping from a crane during loading.

Critics warn the drop could have had serious consequences, triggering a torpedo explosion or a radiation leak. But the MoD insisted that the "wider safety of the boat was not compromised". An MoD spokesman said: "During the loading of **HMS Astute**, a small ramp slipped from a crane onto the submarine and into the water. An investigation has been launched and it is too early to comment on the cause of the incident or whether there has been any damage to the submarine casing."

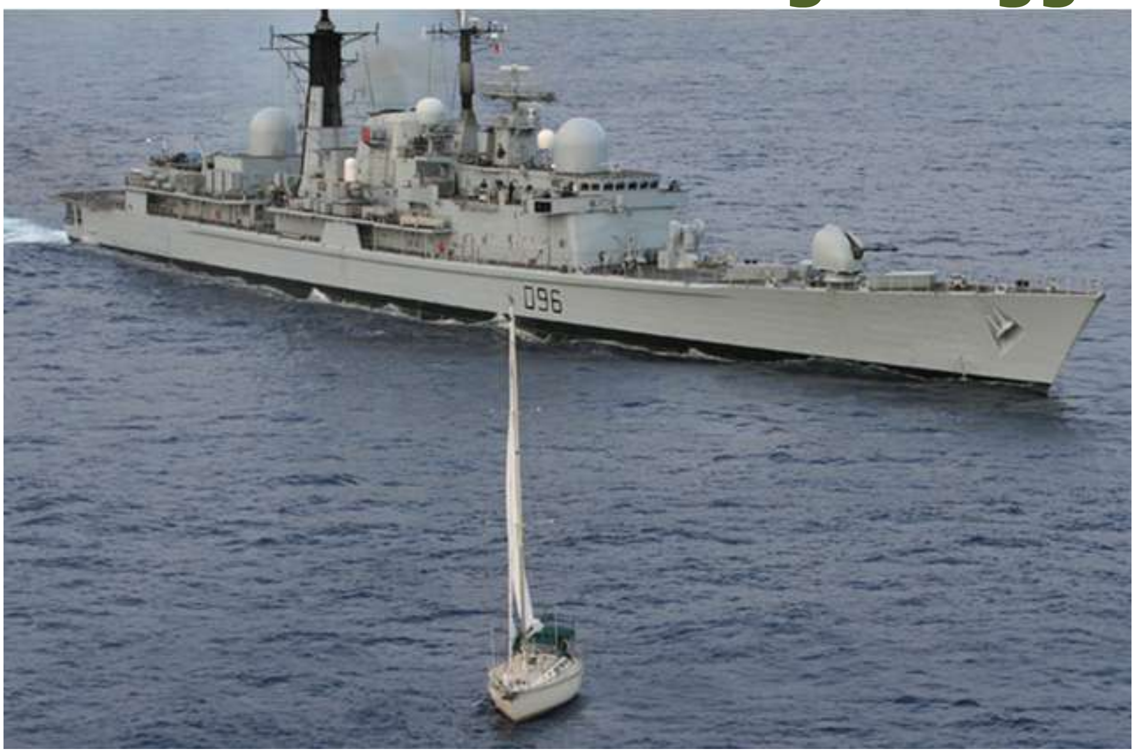
The incident has been formally reported to officials within the MoD. "A special investigation is being carried out by the naval base, which will also incorporate an investigation by the ship's staff," the spokesman added. Independent nuclear consultant John Large pointed out that dropped loads were among the major hazards to be avoided when submarines were in port. "The severity of this event will be dictated by the mass and height of the dropped load and, particularly, the part of the hull impacted upon," he said.

"Unless the event was utterly trivial, the integrity of the hull will now have to be locally inspected and its integrity reviewed." **HMS Astute** was built by arms manufacturer BAE Systems in Barrow, and formally handed over to the Navy at Faslane in a ceremony involving the Duchess of Cornwall in August.

There were delays with commissioning the boat after a fire damaged its bridge fin in April 2009. In March this year the MoD admitted that the programme to build four Astute-class submarines was running nearly five years late and was more than 50% over-budget. According to John Ainslie, the co-ordinator of the Scottish Campaign for Nuclear Disarmament, dropping a load on to a nuclear submarine was a serious safety failure.

He said: "If the load is dropped on the stern of the submarine it could lead to a reactor incident and if it is dropped on the bow it could trigger a torpedo explosion. There should be a full investigation." **Source : HeraldScotland**

HMS Gloucester foils drug smugglers



HMS Gloucester alongside the yacht **Tortuga** in the Atlantic Ocean –**Photo : MOD 2010**

Virginia Class subs pass critical test

The Navy can continue to order Virginia-class submarines from Electric Boat now that the program has passed a series of extensive tests. Electric Boat, with the Northrop Grumman Newport News shipyard in Virginia, began building the fast-attack submarines in 1998. But they could only construct the first 14 of the 30-member class before the program would have to prove its worth.

The 14th submarine will be authorized in fiscal 2012.

During the past year and a half, the crew on the first ship of the class, **USS Virginia (SSN 774),** has operated at sea in a variety of situations with representatives from military testing agencies on board. Most of the testing was done on the Virginia but some of the other early Virginia-class submarines participated as well. "Really the only thing we don't test is the warhead of the torpedo," said Capt. Michael Jabaley, the Navy's Virginia-class program manager.

Some tweaks were made to improve certain systems as a result of the testing but "nothing significant," Jabaley added.

The Under Secretary of Defense for Acquisition, Technology, and Logistics signed a memorandum on Sept. 3 stating that the Virginia-class program passed this evaluation, what is known as achieving "Milestone III." The memorandum also authorized construction through the remainder of the class.

EB President John P. Casey said it was "reassuring that the Department of Defense found it appropriate to approve this milestone. "This was anticipated but it is an important and necessary part of the DOD acquisition process, essential to the continued success of the Virginia program," he said Friday.

Navy officials signed a $14 billion contract with Electric Boat in December 2008, committing the service to buy the next eight Virginia-class submarines - one ship per year in 2009 and 2010 and two ships per year from 2011 through 2013.

The contract for the next group of submarines should be awarded to Electric Boat by the end of 2013, a five-year deal for nine submarines, Jabaley said. The Navy's shipbuilding plan calls for purchasing two submarines annually from 2014 through 2017 but only one submarine in 2018.

The reduction in 2018 is "budget driven," Jabaley said. Obviously building two per year is more cost effective than one per year but if the money is not there for that 10th ship, then you just can't do it," he said. "That is a goal of ours over the next three years before the contract is awarded, to work within the Navy to try to figure out if we can get additional funding and add that 10th ship back in."

The shipbuilding budget will be under pressure with the introduction of a new class of submarines, the Navy's next generation of ballistic-missile submarines that will replace the current fleet of Ohio-class, or Trident, boats.

The design and production of the Ohio replacement program will stretch into the second half of the 21st century. EB is working on the design. Jabaley said the argument for a 10th Virginia-class submarine in the next contract is bolstered by the fact that EB continues to deliver the ships ahead of schedule and under budget.

The seventh ship of the class, **USS Missouri (SSN 780),** was commissioned at the Naval Submarine Base in July, nine months ahead of schedule. There are five additional submarines under construction and six more under contract.
Source : The Day

SHIPYARD NEWS

The **POMER** seen leaving " 3. MAJ " - Shipyard in Rijeka, Croatia. - **Photo : Svetozar Catovic RRM ©**

STX Norway Offshore to build LNG powered Platform Supply Vessel for Olympic Shipping

STX Norway Offshore has entered into a new contract with Olympic Shipping for the building of an LNG powered platform Supply Vessel. The vessel is scheduled for delivery in Q1 2012. The new vessel is designed by STX Norway Offshore Design in Ålesund. The hull is to be built at Tulcea, Romania, and the vessel will be outfitted at Aukra. The vessel will be built according to the latest SPS regulations, which will give excellent stability under all weather conditions and the highest levels of security for the crew.

"We highly appreciate Olympic Shipping being back with us with another newbuilding project", says Roy Reite, President of STX Norway Offshore. "We look forward to working together with Stig Remøy and his team, and are very content with his choice of our new and innovative environmental friendly vessel." Liquefied Natural Gas (LNG) is an environmental friendly combustion fuel with NOx and CO2 emission far below any fuel oil based engine. STX Norway Offshore has in the past delivered six LNG powered vessels and has, including this new contract, in total five LNG powered vessels under construction. **Source: STX Norway**

Credit crunch hurting global shipyard orders

There are growing signs the credit crunch that began with the U.S. housing market is spreading to the world's shipyards. A roaring global economy saw shipbuilders inundated in recent years by orders for container ships, oil tankers and bulk carriers to satisfy American and European demand for consumer goods, a global thirst for oil and a Chinese hunger for commodities. Order books swelled to a three-year backlog, but the credit crunch is making it harder for some shippers to raise money to pay for the ships they ordered. "Around 70 percent to 75 percent of the order book is not yet financed and it's going to be a challenge for some operators to obtain financing," said Akis Tsirigakis, chief executive of Athens, Greece-based Star Bulk Carriers Corp, a dry bulk operator with a fleet of nine ships. In late February an executive at Dalian Shipbuilding Industry Ltd, China's No. 1 shipyard, warned of slowing orders for new ships, citing fears a U.S. slowdown could damp global trade.

Shares of shipyards have suffered. Hong Kong-based Guangzhou Shipyard has fallen 38 percent in the last three months, while Yangzijiang Shipbuilding is down about 55 percent over the same period. JES International, which debuted on the Singapore Exchange in December, is down 64 percent since the beginning of the year.

Among recent ship order cancellations, Hong Kong-based shipper Jinhui said in January it was calling off construction of two giant ore carriers, citing global credit conditions.

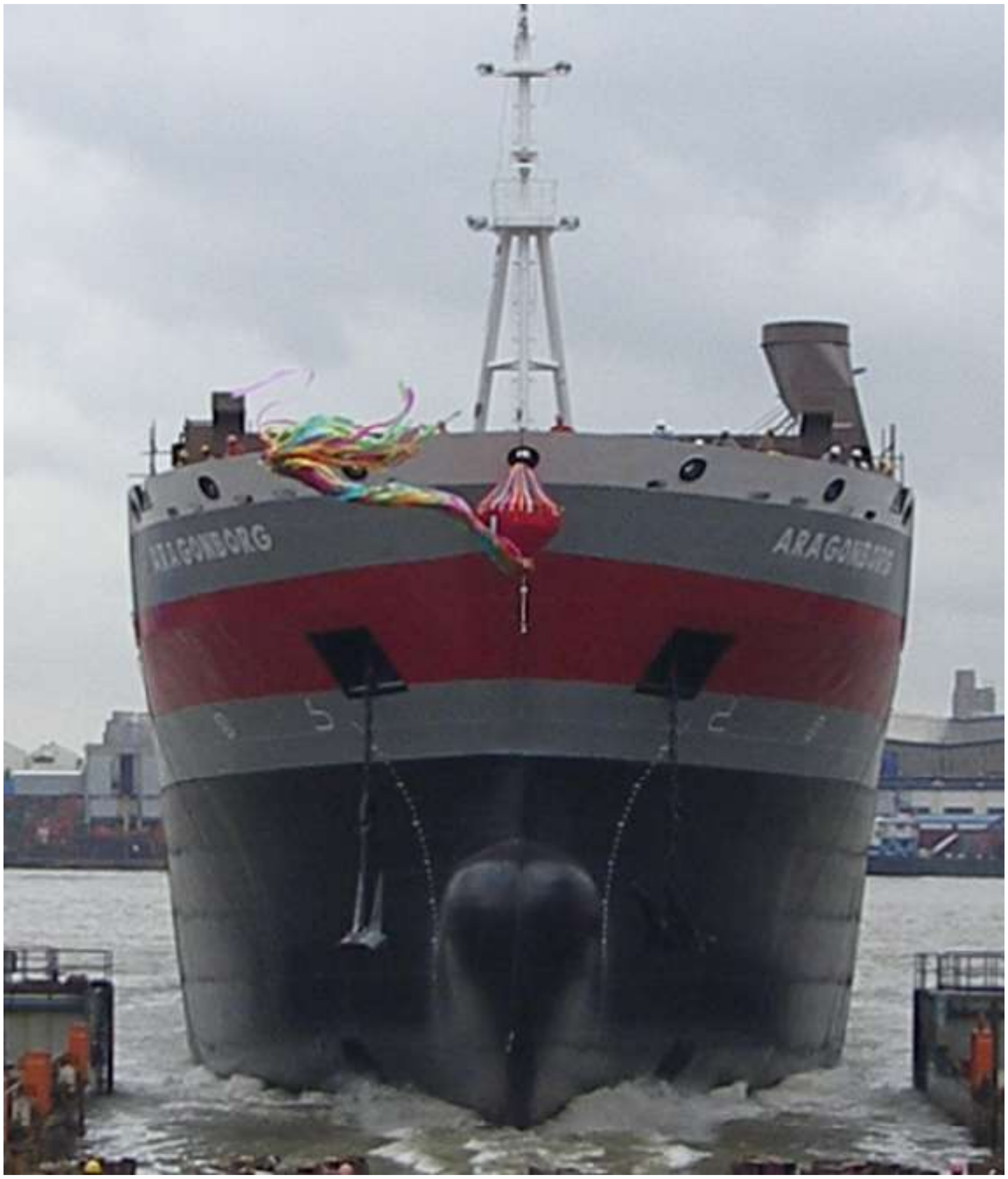
"The risk-return profile of completing (the vessels) has changed drastically due to persistent negative sentiment clouding the global financial markets," the company said. The ships were to cost $122 million each. Jinhui said it would pay a $4 million cancellation fee. The company added that it could not get good financing conditions despite a 15-year charter contract from a "first class steel mill." In February Athens-based Oceanaut Inc OKN.A announced it had terminated a deal to buy nine dry bulk carriers for $700 million. "Funding can be hard to get now even if you have a customer lined up," said Omar Nokta, an analyst at investment bank Dahlman Rose. "There is uncertainty among banks over the potential impact of a U.S. slowdown." According to some shippers, any deal over $500 million that requires a syndicated loan is more likely to run aground. "Banks are more reluctant to fund acquisitions that require a very large syndicated loan or to lend money to newcomers who have no track record," said Nikolas Tsakos, CEO of Tsakos Energy Navigation Ltd, an oil tanker company with a fleet of 43 tankers and nine more on order.

Some shipping company executives are cautious about whether a wave of cancellations is coming. "We haven't seen many cancellations yet, but it's possible there are more yet to come," said John Wobensmith, chief financial officer of New York-based dry bulk shipper Genco Shipping & Trading Ltd, which has a fleet of 28 ships. But others say they are excited by the chance to pick up bargains.

"I think there will be some fire sales," said Gerry Wang, chief executive of Seaspan Corp, which has a fleet of 29 container ships with another 39 on order. "We are like a tiger waiting for opportunities to come up. We have the liquidity, we have the capital," said Wang. "Look at the shipping space ... (there are) about 1,100 ships on order in the industry worth $350 billion," he added. "In my humble opinion there is no way there is that much liquidity available to finance $350 billion over the next three years." Nikolas Tsakos said order cancellations due to financing troubles would also ease fears that a glut of ships would push down charter rates. And if demand for commodities, consumer goods and oil remains robust despite the woes of the U.S. economy, then shipping rates should stay strong.

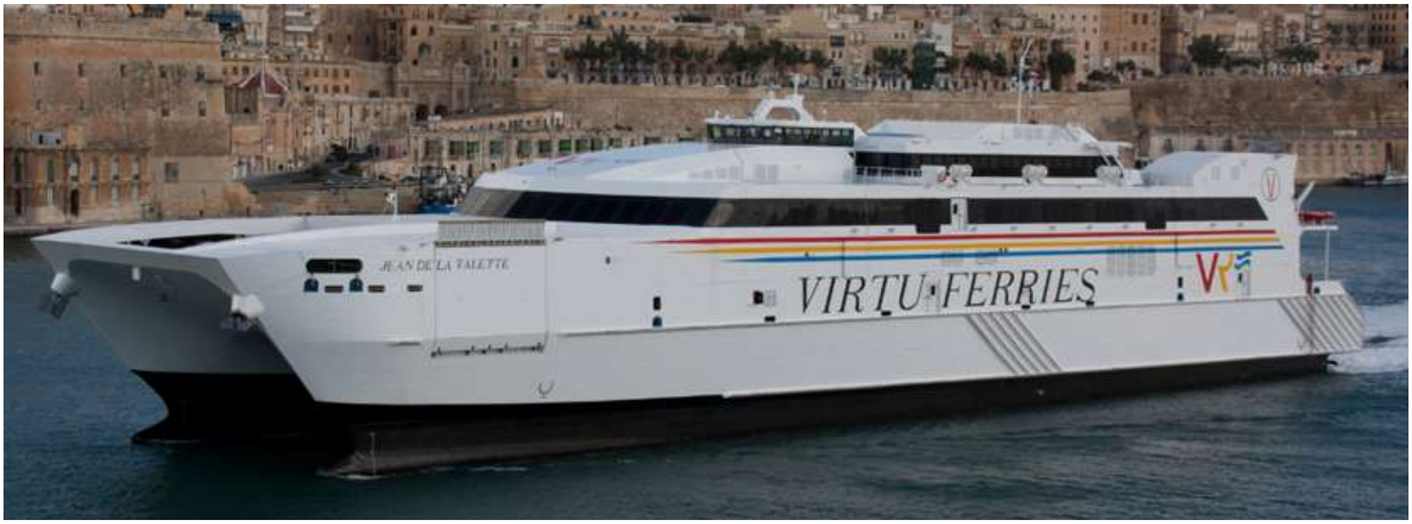
"This could bring a nice positive surprise for operators," said Dahlman Rose analyst Nokta. Nokta said if European demand for consumer goods remains robust that should support container ship charter rates, but the big question for dry bulk rates is what happens to demand for commodities from China and India, which has been a major rate driver in recent years. The Baltic Exchange's chief sea freight index .BADI, which gauges the strength of trade routes for commodities like coal, iron ore and grains, has had a roller-coaster ride over the last six months, hitting an all-time high above 11,000 points in November before falling below 6,000 in January. It is now above 8,000 points. "So far we're not seeing any slackening in demand from China for commodities," especially coal and iron ore to produce steel, Nokta said. "As far as dry bulk rates go, steel prices will dictate a lot of what happens." **Source: Reuters**

The TSHD **WILLEM VAN ORANJE** seen enroute the builders (IHC-Merwede) upon completion of the trails
Photo : Michael van der Meer ©



Last week Friday at 2pm the **Aragonborg** was launched from the slipway in Shanghai.
Photos : Jacqueline Bleijenberg ©

ROUTE, PORTS & SERVICES



Above seen the 2010 AUSTAL built 107m catamaran **JEAN DE LA VALETTE** arriving to Malta and entering Grand Harbour Saturday 11th September 2010 piloted by **Capt. Anthony Chetcuti** after she was delivered by her builders on 27th August 2010.

The vessel will operate between Malta and Italy, and is designed to carry 800 passengers and 156 cars (or 45 cars and 342 truck lane metres) at an operational speed of up to 40 knots. "**Jean de la Valette**" will join Virtu Ferries' existing 68 metre vehicle-passenger ferry "**Maria Dolores**" which was delivered by Austal in 2006.
Photo : Darren Scicluna - www.maltashipphotos.com ©

Government climb down on ferry cuts

THE SCOTTISH government has climbed down on its demands for £1 million savings on the lifeline ferry service to the northern isles. Transport minister Stewart Stevenson met the conveners of Shetland and Orkney islands councils on Monday, where he told them that no changes would be made to the service in the current financial year.

He also expressed hope that cuts and fare hikes could be avoided next year with increased traffic from the construction project at Sullom Voe, in Shetland, where French energy giant Total are to build a £500 million gas processing plant. The announcement marks a U turn for Mr Stevenson, who announced without warning last March that state-owned ferry operator NorthLink would have to make immediate cuts of £300,000 followed by a further saving of £700,000 this winter. The islands responded with collective outrage, forcing the government to introduce a three month consultation on eight possible options for saving money.

Only last week that consultation was extended for a month until 30 September after Mr Stevenson announced a £6.5 million extension to the road equivalent tariff pilot to the western isles on 31 August, the day the northern isles consultation was due to close. The timing of the announcement led to calls for Mr Stevenson to resign, and both councils angrily rejected all eight options laid before them for saving money, including fare increases and slower travel times to save on fuel. A hurriedly arranged meeting with the two council conveners Sandy Cluness and Stephen Hagan in Edinburgh on Monday led to the government's latest announcement that no savings would be needed for the foreseeable future. Speaking after the meeting, Mr Stevenson said: "The performance of NorthLink this year has been much better than we expected and we are not going to look for the savings that we thought we would need.

"Next year we expect to make very substantial further improvements in the performance of the NorthLink contract to enable us to deliver the service within the monies we expect to be available. "There will be increasing opportunities for NorthLink with the contracts at Sullom Voe that will mean that there will be increasing income and that is going to be very helpful in balancing the books."

The minister justified the expense of the RET pilot in the western isles saying their relative poverty and declining population demanded support for the economy, yet he added that an underspend on the RET budget had made money available to support NorthLink. Monday's announcement was welcomed by Shetland Islands Council convener

Sandy Cluness. "I am pleased with the outcome that there won't be any changes this year and I am hopeful there won't be any changes in the future until the end of the contract.

"We made the point as clearly as we could that we felt there had to be a degree of equality between what had happened to our friends in the western isles and what happened in Shetland and Orkney and I think the minister took that on board." The islands' two MSPs welcomed the government's decision to pull back from cutting back the NorthLink service, but questioned the fitness of Mr Stevenson as transport minister.

Shetland MSP Tavish Scott said: "I'm delighted the SNP have seen sense and U-turned. People in Shetland rely on these lifeline links and it was shameful for the SNP to play politics with them." Orkney MSP Liam McArthur added: "Welcome though this U-turn is, it begs serious questions about the competence of the transport minister.

"In the last six months, Mr Stevenson has tried to slow down our Aberdeen ferry service, removed the lifeline entirely by diverting the Hamnavoe to Bergen and spent weeks demanding a million pound budget cut he now claims is unnecessary. Each time, consultation with the councils and communities affected was either an after thought or a smokescreen.

"Such an utter shambles undermines public confidence in this government's ability to manage our lifeline ferry services. It is time Mr Salmond took note and took action." Ferry services safe from cuts - for nowNorthern isles council conveners optimistic after meeting transport minister **Source : pressandjournal**

Harbour tugs seen in the port of Salerno – **Photo : Marijn van Hoorn ©**

Shipping Corp to invest $4bn to double tonnage to 10mn dwt

State-owned Shipping Corporation of India (SCI) will be investing up to USD 4 billion in the next four-years, targeting to double its tonnage to 10 million dead weight tonnage (DWT), a top company official said.

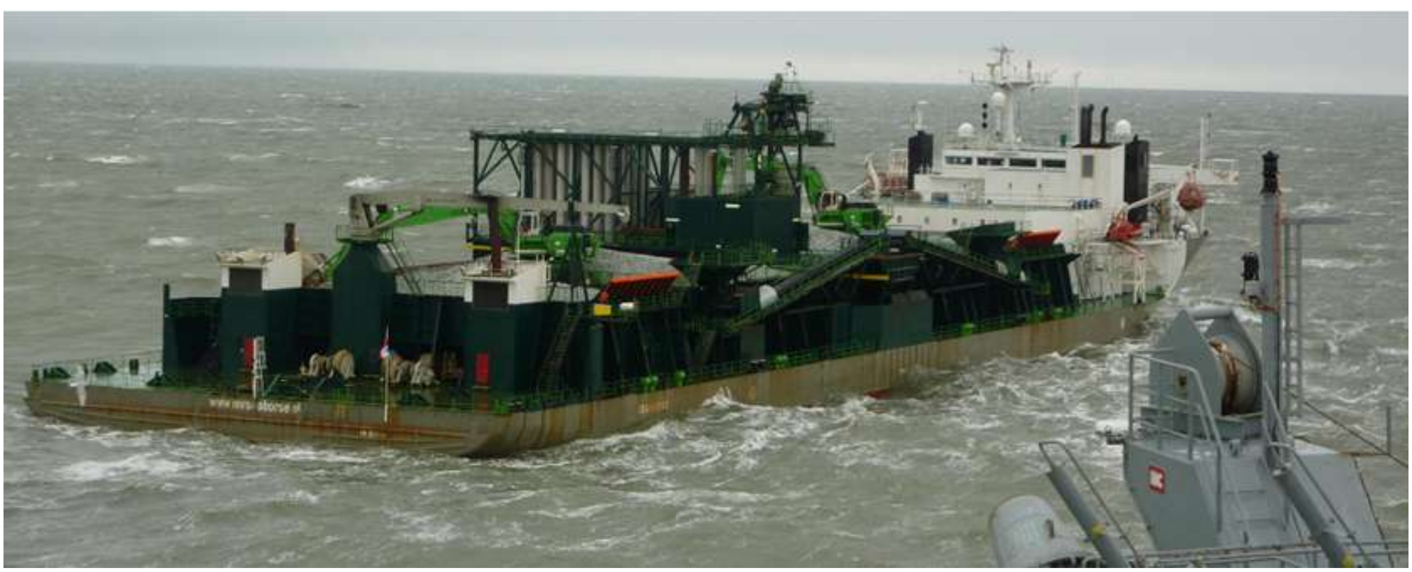
"Going forward, in the next three-four years our overall spend will be about USD 4 billion," SCI Chairman and Managing Director S Hajara told PTI here. Through the investment, SCI is targeting to double its capacity to 10 million DWT from the current 5-million, he added.

"It will be six million in a year's time and around eight million tonnes in the next three years and we hope to lay the chart for 10 million in the next five years, double of what we are today," Hajara said. Overall for the shipping industry, things will "really improve" after calendar year 2011, till when there will be a lot of supply-side pressure because of an excess number of orders made between 2004-08, he said.

"That pressure will be coming-off as there were very few orders placed between mid-2008 and 2009. So we will have some respite beyond 2011." SCI recently announced a follow-on public offer which will see the Government divesting more and Hajara was quoted as saying that the proceeds will be used to fund its expansion plans.

The company, which owns and operates about 35 per cent of Indian tonnage, is also serious about backward integration and has recently called expression of interests from private shipyards for purchasing a stake, Hajara said. "We would like to have a stake in a shipyard...and the proposals will come in by early October. After that, there will be due diligence for all the projects and we will see which suits us," he said.

"By March (2011) or a little later" SCI will be working with a shipyard," Hajara said. There has been a "remarkable recovery" in the container liner vertical this fiscal which has resulted in the company coming back into the black in the June quarter, he said. Hajara sounded concerned about the bulk carrier segment, saying the market is "topsy-turvy" because of over- supply and chances of revival are grim till the end of calendar year 2011. As for tankers, it is more steady and will continue that way, he added. **Source : Deccan Herald**



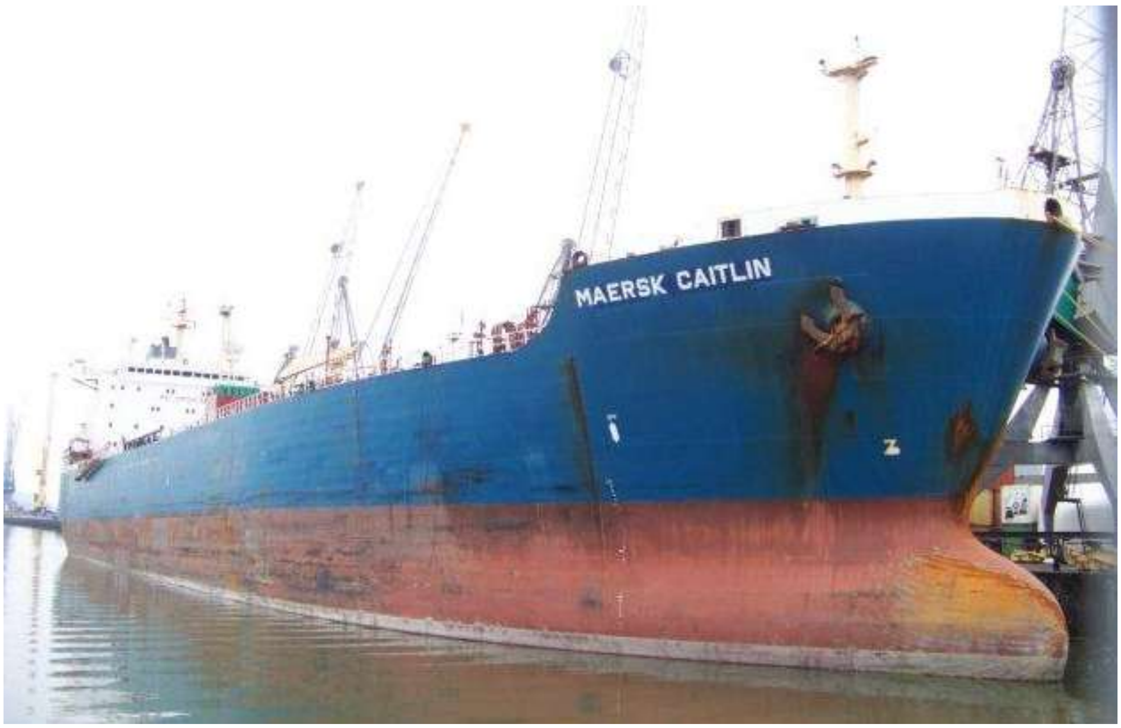
Seen from the TSHD **VOX MAXIMA** the rock/stone dumping vessel **SEAHORSE** operating at Badaratskayabay
Photo : Crew VOX MAXIMA ©

NorthLink ship plans abandoned

Plans by NorthLink to replace its ageing cargo ship mv Clare with a combined passenger and freight vessel have been abandoned. It had been hoped to charter or buy the Danish vessel **Duoedde**, which would have been able to carry 400 passengers.

The move would have allowed NorthLink to expand its business, introduce a Norway service during the summer and remove the threat of Government cuts to its subsidy, but the company have been forced to abandon the option because it is too expensive.

The firm will instead be replacing the **Clare** with the sister ship of its new cargo ship **Hildasay**, which is expected to enter service in December. **Source : orcadian.co.uk**



In the port of Rotterdam the **Bro Cecile** was renamed in **MAERSK CAITLIN** last Saturday (September 11th)
Photo : Michel Kodde ©

15 orders for nuclear icebreaker assistance in 2011

Operator of the Russian nuclear ice breaker fleet Atomflot has so far received 15 orders for icebreaker escort on the Northern Sea Route in 2011, General Director Vyacheslav Ruksha says. The recent successful journey through the Northeast Passage by the tanker "**Baltica**" has opened the eyes of shipping companies and cargo owners to this route, Ruksha said at a conference in St. Petersburg, Portnews.ru reports.

"**Baltica**" left Murmansk on August 14 and reached Ninbo, China, on September 6. The tanker, loaded with 73 000 tons of gas condensate, spent 11 days on the journey from Murmansk to Pevek on the Chukotka Peninsula, 2500 nautical miles away. Russia's largest shipping company Sovcomflot plans to send the 70 000 tons tanker Mikhail Ylyanov through the Northeast Passage in May 2011, according to Vyacheslav Ruksha. The company also plans to use Suezmax and Panamax class tankers on the route.

Atomflot's nuclear icebreakers are currently escorting the Danish bulk carrier "**MV Nordic Barents",** which is transporting iron ore from Kirkenes, Norway, to China. **Source : BarentsObserver**

Baltic index rises 10th straight session

The Baltic Exchange's main sea freight index rose for a 10th straight session on Friday, only just failing to break through 3,000 points, due to support from autumn hedging, traders said. The index, which tracks rates to ship dry commodities including iron ore, cement, grain, coal and fertiliser, rose 0.23 percent, or 7 points, to 2,995 points.
The index has risen continuously since the beginning of the month. A slight dip in late August may have been a technical bull-flag that historically occurs in late summer, just before many traders return from holidays and begin to hedge themselves for the upcoming winter.

"The market seems strong by sentiment in the short-term as autumn hedging lifts demand for ships, but in the longer term there are fears of a downturn in the U.S. and China, and I think this is the reason why the index failed to break through 3,000 points this week," one trader said. Market sources said the current rise was being caused by Russia's grain export ban following drought and fires there, which spurred demand for overseas shipments, as well as by an expectation of lower iron ore contract rates, which should increase steel production. On a larger scale, the improving economic outlook in Europe also was helping the index rise, traders said, although some concerns remained.

After dropping slightly on Thursday, the Baltic's capesize index .BACI bounced back a notch on Friday, gaining 2 points (0.05 percent) to 4,019 points. Sources said they also saw rising demand for this product during the high demand autumn season. The capesize market has seen volatile activity in recent weeks. A rally in August was driven by Chinese iron ore imports from Australia and Brazil on capesizes after Karnataka, India's second-largest ore producing state, banned exports from 10 of its ports in July. The high court of Karnataka state will continue hearings this week on a case challenging the state-imposed ban on iron ore exports. Traders said the government may soften its stance and lift the ban. The exchange's panamax index .BPNI, by contrast, dropped slightly, shedding 2 points or 0.06 percent to 3,394 points, but traders said this was mainly due to Friday selling rather than fundamentally driven.
Similarly, the supramax index .BASI was down 10 points or 0.49 percent to 2,046 points.

Despite the current optimism, some concerns remain as slowing global economic growth, especially in the United States and China, may hit shipping, given that about 90 percent of the world's traded goods by volume are transported by sea. Major developed economies are poised for a marked slowdown in coming quarters, led by the United States, although another recession still looks unlikely, a Reuters poll showed. Analysts said freight rates would be dampened this year by the pace at which new ships are set to enter the market this year and next, despite indications of some vessel cancellations and delays. "We maintain our forecast for a correction in dry bulk earnings in Q1 11, when weaker demand and increased supply will drag the rates down," consultants MSI said. "The six-month delivery outlook is extremely challenging, with, for example, the capesize fleet forecast to increase by more than 10 percent by February." **Source: Reuters**

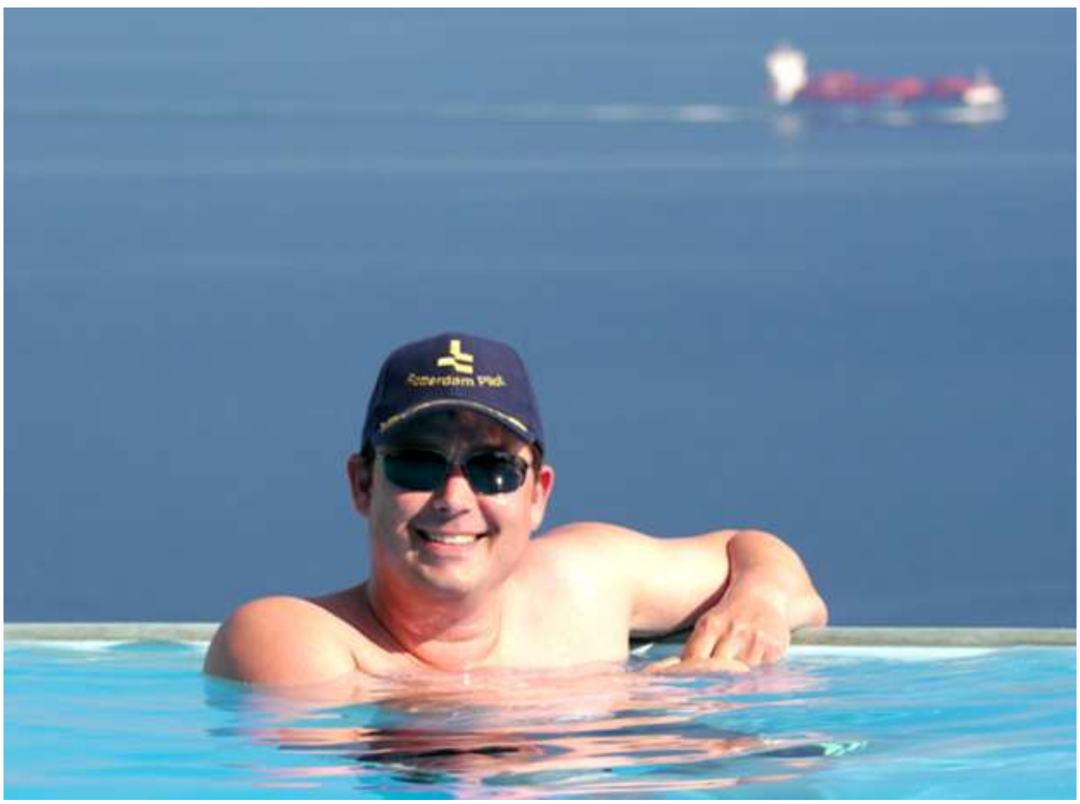
Port Vanino's throughput up 3.4% in Jan-Aug., to 4.13 m tons

Freight turnover of Vanino Commercial Sea Port (JSC Port Vanino, Khabarovsk Territory) in January-August 2010 rose by 134,700 tons and amounted to 4,127.9 thousand tons, or a 3.4-percent rise from the same period in 2009, the stevedoring company's press service said. In August, the stevedore handled 567.100 tons of cargo, 17.4% more than a year earlier.

Exported goods made up 47.3% of the eight-month freight flows volume, 1,953,100 tons (-6.8%), including 951,300 tons of coal, 100,600 tons of nonferrous metals and 863,800 tons of lumber. In Jan-Aug, the company transshipped 860,700 tons of imports cargo (+1.5%), of which alumina made up 841.800 tons. The volume of short sea trade gained 47.2% to 332.500 tons, including 89,100 of coal.

Vanino-Kholmsk ferry traffic rose 16.4% y-o-y, to 981.600 tons. The company's container throughput reached in Jan-Aug, 7,971TEUs. During the period Port Vanino handled 916 ships, including 444 ferries, and offloaded 48,700 imported autos.

Vanino Commercial Sea Port JSC is the largest stevedore operating at the Port of Vanino of the Khabarovsk Krai (Territory). The Port Vanino transships inbound cargoes passing via the port to the north-eastern regions of Russia and goods exported to Japan, South Korea, China, Australia, USA and other countries of APR. In 2009, the company's freight turnover was down 9.4% year-over-year, to 6 million tons. **Source : PortNews**



Shipspotting is a very tough job, above seen Rotterdam pilot and newsclippings contributor **Marijn van Hoorn**, whilst shipspotting during his holiday in Italy ☺

Vale Borrows $1.23 Billion to Buy 12 Iron-Ore Vessels from China Shipyard

Vale SA, the world's largest iron- ore producer, will borrow $1.23 billion to buy ships from a Chinese shipyard as Asian demand for the steelmaking material increases. The 13-year loan from the Export-Import Bank of China and the Bank of China Ltd. will finance 80 percent of the purchase of 12 Chinamax vessels from the country's Rongsheng shipyard, the Rio de Janeiro-based company said in a regulatory filing today.

Vale has sought to boost transportation of iron-ore through its own ships to Asia, where it gets about half of its sales. The iron-ore producer's transportation business had sales of 1.08 billion reais ($630 million) in the second quarter, a 51 percent increase from the same year-earlier period. The Chinamax vessels that Vale will buy have the capacity to transport 400,000 metric tons each. Vale fell 37 centavos, or 0.9 percent, to 41.40 reais in Sao Paulo trading at 10:26 a.m. New York time. It has lost 1.9 percent this year, less than a 2.8 percent drop in the benchmark Bovespa index.

Source: Bloomberg

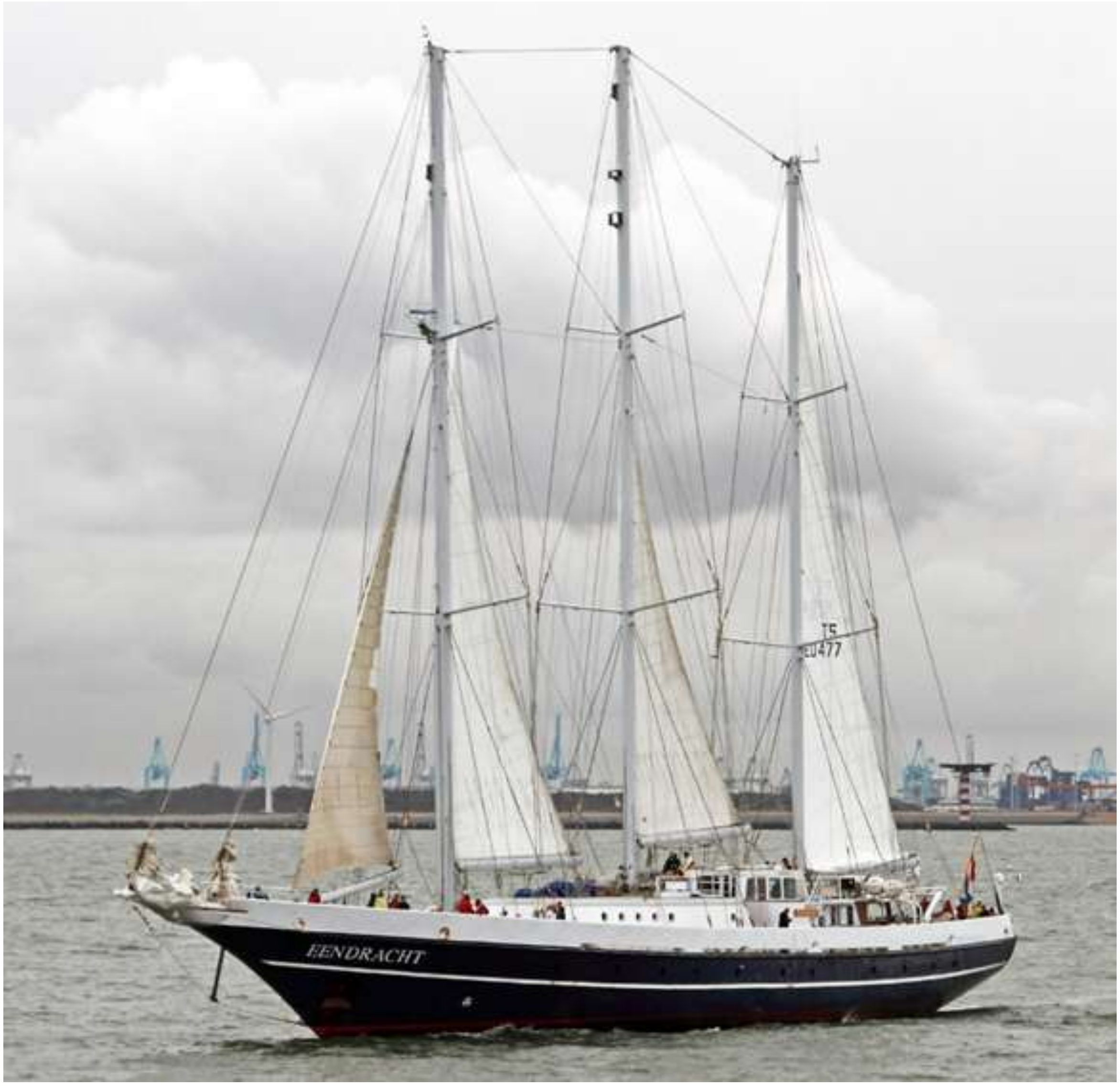
OLDIE – FROM THE SHOEBOX

ANTWERPEN - Three cargoliners laid up

The end of the conventional ships nearby, above seen on 14 February 1983 in the old city docks in the port of Antwerp the m.v. **MOKARIA, MEMLING** en **RUBENS** without future.

Photo : Capt. Frank Haalmeijer ©

…. PHOTO OF THE DAY …..



The **EENDRACHT** seen off Hoek van Holland – **Photo : Peter Kruijt ©**