

# John Nixon Associates



## Salvage Claims

**International Marine Claims Conference  
Dublin - 2004**

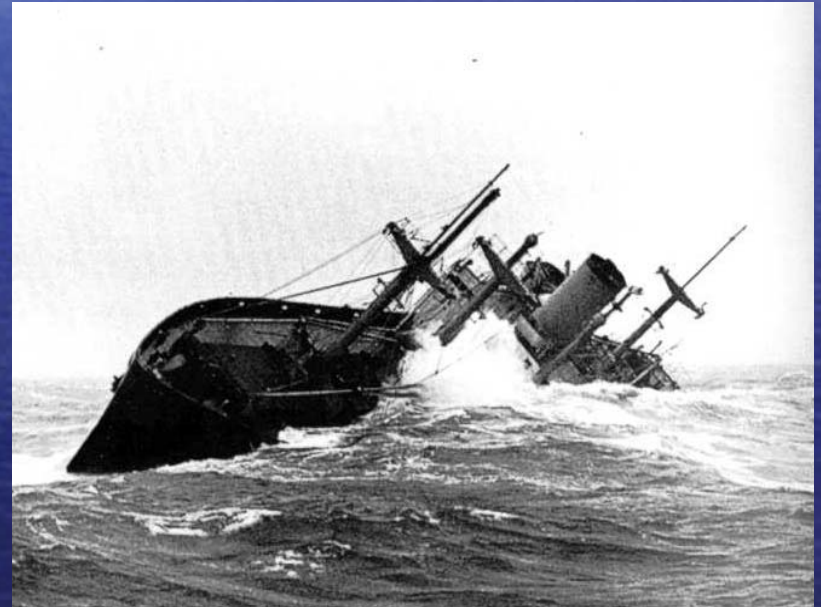
**Capt John Nixon MSc  
Master Mariner  
FNI FIMarEST CMarTech MCMS**

# SALVAGE CLAIMS

## Introduction

This presentation will attempt to show the progress of some typical salvage operations and the practical work of the salvor.

We will cover the aftermath of a casualty; who is involved; how the salvor is contacted and appointed; the initial inspection and survey team, the formulation of a salvage plan; the tender process and salvage contract; types of casualty and the work involved; completion and redelivery; payment of the salvage claim including negotiation, disputes and arbitration.



*Captain Carlson and the  
“Flying Enterprise” - 1952*



# **SALVAGE CLAIMS**

## **Contents**

- 1. THE CASUALTY**                      **Background, Type, Causes, Assistance**
- 2. PROPOSAL**                              **Salvors, Salvage Survey, Required Response,, Salvage Plan, Appointing a Salvor, Tender, Costs**
- 3. CONTRACTS**                            **LOF, SCOPIC, SCR or Standard Commercial Contract**
- 4. SALVAGE OPERATIONS**            **Emergency Response, Groundings, Wreck Removal, Suitable Contracts**
- 5. WRECK REMOVAL**                    **Reasons, Types, Case Study “*Tricolor*”**
- 6. MOBILISATION**                        **Location, Equipment and Personnel, Salvage Tugs, Joint Ventures**
- 7. COMPLETION**                          **Redelivery to Owners, Disposal, Demobilisation**
- 8. SETTLEMENT**                          **Salvage Claim, Negotiations, Disputes, Arbitration, Common Law**

# **THE CASUALTY BACKGROUND**

## **CASUALTY NUMBERS**

**Casualties have fallen over the years affecting the number of salvage contracts awarded. Last year, 2003, Lloyd's Salvage Arbitration Branch reported that the number of LOF cases fell to less than 100 for the first time although ISU members attended 218 casualties over the same period.**

**This improvement in ship casualty figures can be traced to the Global Positioning System - Satellite Navigation; Traffic Routing; VTS Control; Improved ARPA Radar Systems and Better Communications.**

**Regulations that have affected ship safety to include ISM, STCW-95, OPA-90 and finally changes in shipbuilding techniques.**

**Sub Standard Ships, Crew Training, Manning Levels and Fatigue still require attention. Study after study tells us that over 90% of casualties are still the result of some form of human error.**



# SALVAGE CLAIMS

## TYPES OF CASUALTY



**Stranding**  
*Sealand Express*  
2003



**Grounding &  
Capsize**  
*Rockness*  
2004



**Explosion**  
*Panam Serena*  
2004



**Fire**  
*DG Harmony*  
1998



**Collision**  
*Stena King c/w  
British Vigilance*  
2002



**Severe List**  
*Pride of America*  
2004



**Capsize**  
*Stellemarre*  
2003



**Structural Failure**  
*Prestige*  
2002



# SALVAGE CLAIMS CAUSES OF CASUALTIES



**Negligence**  
*Gaz Poem*  
c/w Springbok  
2003



**Weather**  
*Vermontborg*  
2003



**Negligence**  
*Lagik*  
2001



**Structural Failure**  
*Prestige*  
2002



**Negligence**  
*Herald of Free  
Enterprise*  
1987



**Structural Failure**  
*Rico*  
1996



**Negligence**  
*Reijin*  
1988



**Terrorism**  
*Cordiality*  
1997

# SALVAGE CLAIMS CASUALTY ASSISTANCE

## INITIAL CONTACT

**Parties Involved: Master, Local Agents, Owners, Insurers, Insurance Brokers, Tug & Salvage Brokers, Marine Consultants.**

**Following a casualty that requires assistance the Master will contact his Owner who will in turn contact his insurers. This will be either his P&I Club and/or his Insurance Broker who will have to assess the situation and either seek salvage assistance direct or through a specialist Salvage Broker.**





# SALVAGE OPERATIONS

## THE SALVORS

### WHO ARE THE SALVORS

*“Persons whose principal business is that of rendering assistance to disabled vessels, whether they are vessels ashore or afloat, are, in the fullest sense of the word, professional salvors”*

**Mr Justice Langton – The Rosa Luxemburg (1934)**



**The International Salvage Union represents salvors worldwide and has 50 members in 30 countries. Most members are not full time salvors but rely on commercial towage for their income.**

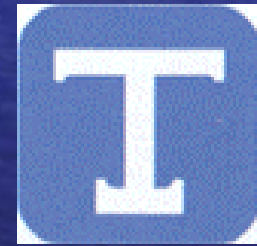


# SALVAGE OPERATIONS

## THE SALVORS

### WHO ARE THE SALVORS

There are only four professional salvors that can be described as truly international – Smit Salvage, Svitzer Wijsmuller, Titan Marine & Tsavliris



There are many major salvors who remain regional – China Salvage, United Salvage (UK & Aus), SEMCO & Kassel (SE Asia), Multraship (Holland), Omur (Turkey), Nippon & Fukada (Japan), Skaldis & URS (Belgium), Crowley & Donjon (USA)

# SALVAGE PROPOSAL

## SALVAGE SURVEY

### SALVAGE TEAM

**Office:** Salvage Consultant (Senior Salvage Master), Commercial Manager, Operations Manager, Warehouse & Logistic Staff

**On Site:** Salvage Master, Naval Architect, Divers.

### REPORT

**Damage to Hull, Strength, Condition of Cargo, Number of Compartments Intact & Breached, Tanks & Cargo Spaces, Engine Room & Machinery, Bunkers, Hazardous Cargo, Stability.**





# SALVAGE PROPOSAL REQUIRED RESPONSE

## Analysis of Salvage Report

Following the salvage inspection and salvage report the Salvage Master and his colleagues will decide on the salvage plan and appropriate response. In an emergency this will have to be with maximum haste. The salvor has to know what resources he has available in the area and how long it will take to reach the casualty. What salvage personnel he will require and how quickly he can mobilise the salvage team and the equipment from his salvage stores.



# THE SALVAGE PLAN

1. **Stabilise the casualty, taking into account currents, tides and deteriorating weather conditions**
2. **Carry out emergency actions such as fire fighting, controlled grounding or containing leakage of pollutants**
3. **Undertake a risk assessment and ensure safety procedures are in place.**
4. **Provide sufficient equipment and personnel to carry out the salvage operation**
5. **Remove fuel & lubricating oil and other possible pollutants.**
6. **Remove, isolate or render harmless all hazardous cargo**
7. **Necessary lightening – Discharge of Cargo or Ship to Ship Transfer (STS)**
8. **Carry out necessary repairs prior to towing, pressurising, pumping, refloating, or up-righting**
9. **Apply water damage protection to preserve main and auxiliary machinery.**
10. **Produce a schedule of events and issue daily progress reports**



# **SALVAGE PROPOSAL APPOINTING THE SALVOR**

## **SALVAGE TENDER**

**The salvage plan and response time together with the type of contract and estimate of costs will be put before the Owner, his insurers and their advisors.**

**Owners will decide which salvor contractor to employ to carry out the salvage operation or wreck removal.**

**In an emergency there may be no time to assess and compare the offers from potential salvors. It would be a matter of who can react the quickest to save or minimise the damage. In this situation the most effective way of contracting a salvor will be by using the Lloyds Open Form.**

**If there is more time then the salvage tenders can be evaluated to see who offers the most efficient solution. The final proposal accepted should offer the most cost effective salvage operation with the greatest likelihood of success.**

# **SALVAGE PROPOSAL APPOINTING THE SALVOR COSTS**

**A salvage plan has to contain the most efficient and cost effective method of salvaging the casualty so that it can be redelivered to Owners in a sound and stable condition in a suitable, designated safe port.**

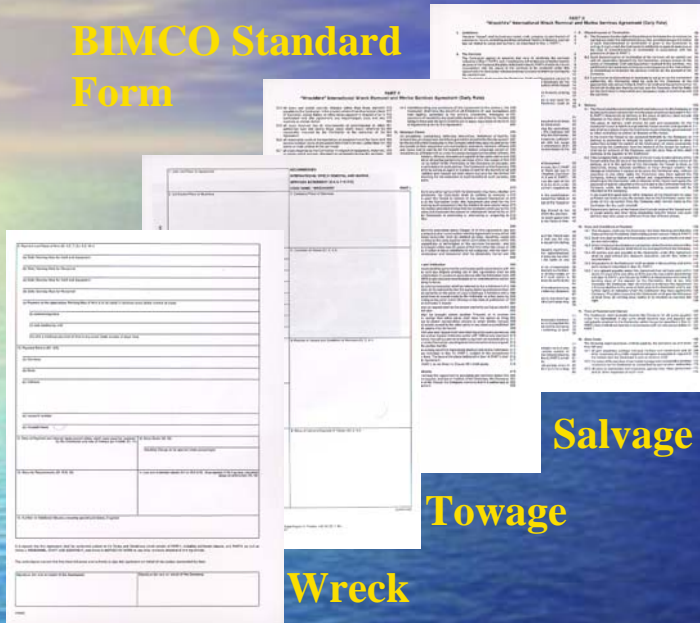
**The salvage plan will form part of the tender document and be assessed by a salvage consultant in competition with other salvors attempting to win the contract. Salvage is a commercial venture and the salvage company has to make a profit at the end of the operation. The salvage industry has to be supported to ensure that the special expertise and equipment required for the more difficult salvage operations is available in the future.**

**While Owners may not always take the cheapest option, cost is still an important factor. The larger salvage companies, both international and regional have to compete with local companies who can take advantage of smaller overheads. Everyone with a rowing boat considers himself a salvor when the opportunity arises, but it takes years of professional experience to become a competent salvor and that training and experience comes at a cost.**



# SALVGE OPERATIONS CONTRACTS

**BIMCO Standard Form**

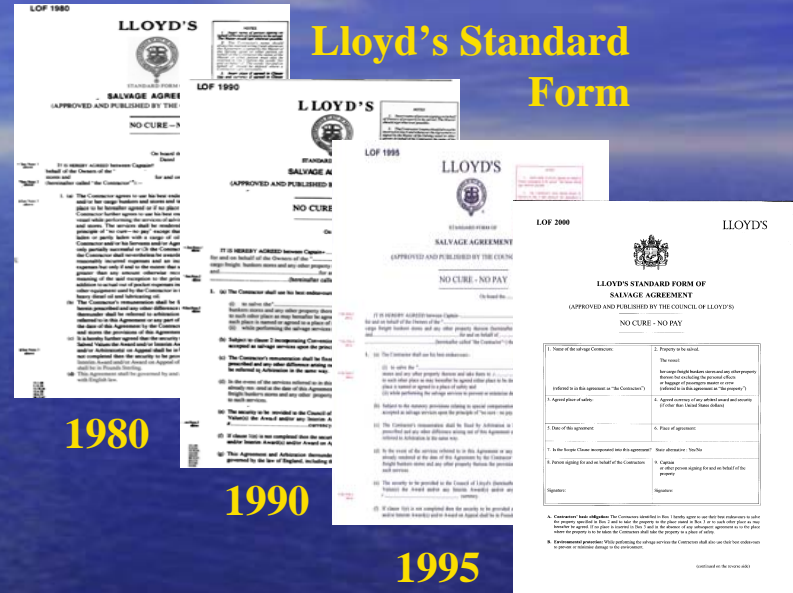


**Salvage**

**Towage**

**Wreck**

**Lloyd's Standard Form**



**1980**

**1990**

**1995**

**2000**

The vast majority of emergency salvage services take place under a salvage contract, such as “no-cure no-pay” open forms, the most common of which is the Lloyd’s Standard Form of Salvage Agreement (Lloyd’s Open Form). Since 1980 there has been a safety net provision to encourage salvors to attend vessels with little or no salvaged value in order to protect the environment.

Non Urgent cases or wreck removal operations are usually contracted using a standard Bimco form, on either a lumpsum or day rate basis.

# SALVAGE OPERATIONS EMERGENCY CASES

*IMPENDING LOSS OF LIFE, LOSS OF PROPERTY and  
ENVIRONMENTAL DAMAGE*

**Equipment Required & Available, Expertise, Speed of Response, Chance of Success, Open Form Contract.**

**In emergency cases such as fire specialist equipment and a great deal of expertise is required, very quickly.**





# THE SALVAGE CONTRACT


## LLOYD'S OPEN FORM

### LOF 2000

Boxes to be completed by the contracting parties

1. Name of salvage Contractors
2. Property to be salvaged
3. Agreed place of safety
4. Agreed currency
5. Date of agreement
6. Place of agreement
7. SCOPIC Clause Incorporated – Yes/No
8. Signature of (Salvor) Contractor
9. Signature of Captain or Property Owner

LOF 2000 LLOYD'S



**LLOYD'S STANDARD FORM OF SALVAGE AGREEMENT**  
(APPROVED AND PUBLISHED BY THE COUNCIL OF LLOYD'S)  
NO CURE - NO PAY

1. Name of the salvage Contractors:  (referred to in this agreement as "the Contractors")	2. Property to be salvaged:  The vessel:  her cargo freight bunkers stores and any other property thereon but excluding the personal effects or baggage of passengers master or crew (referred to in this agreement as "the property")
3. Agreed place of safety:	4. Agreed currency of any arbitral award and security (if other than United States dollars)
5. Date of this agreement:	6. Place of agreement:
7. Is the Scopis Clause incorporated into this agreement? State alternative: Yes/No	
8. Person signing for and on behalf of the Contractors  Signature:	9. Captain or other person signing for and on behalf of the property  Signature:

**A. Contractors' basic obligation:** The Contractors identified in Box 1 hereby agree to use their best endeavours to salvage the property specified in Box 2 and to take the property to the place stated in Box 3 or to such other place as may hereafter be agreed. If no place is inserted in Box 3 and in the absence of any subsequent agreement as to the place where the property is to be taken the Contractors shall take the property to a place of safety.

**B. Environmental protection:** While performing the salvage services the Contractors shall also use their best endeavours to prevent or minimise damage to the environment.

(continued on the reverse side)

Basic contractual clauses (1989 Salvage Convention)

- A. Contractors obligation to use his best endeavours
- B. Environmental protection
- C. SCOPIC clause
- D. Effect of other remedies
- E. Prior service
- F. Duty of property owners
- G. Right of termination
- H. Deemed performance
- I. Arbitration and LSSA clauses
- J. Governing law (English)
- K. Scope of authority
- L. Inducement prohibited





# **SALVAGE CONTRACT SCOPIC CLAUSE**

- 1. The Special Compensation P&I Club (SCOPIC) Clause replaces LOF Article 14 Special Compensation Clause**
- 2. The SCOPIC agreement is voluntary**
- 3. Specifically included in LOF and invoked by the salvor**
- 4. Allows a fixed tariff for personnel and equipment.**
- 5. The salvor receives a salvage security of US\$3.0 million**
- 6. Can be terminated by either party**
- 7. Salvors receive an uplift of 25% on the agreed salvage costs.**
- 8. Discount Provisions for Property Underwriters of 25% of the difference if the Article13 Salvage Award is greater than SCOPIC**
- 9. An Special Casualty Representative (SCR) is appointed by the P&I Club to report to all parties**

# SALVAGE CONTRACT SCOPIC CLAUSE

## SPECIAL CASUALTY REPRESENTATIVE (SCR)

An SCR is appointed by the P&I Club from a panel of about 40 approved surveyors.

His job is to look after the interests of all parties involved, reporting to Owners, Property Insurers (Cargo and Hull & Machinery) and Liability Insurers (P&I Club).

The SCR monitors the progress of the salvage, the equipment used and costs involved. He will also help and advise the salvor where necessary.

His final report is used to authorise payments made to the salvor under the SCOPIC agreement.





# SALVAGE CONTRACT SCOPIC CLAUSE

## TARIFF DAY RATES

	US\$		US\$
Salvage Master	1,500	Tug 12,000hp	19,500
Salvage Officer	1,250	Generator 350kw	350
Naval Architect	1,250	Compressor 1200cfm	400
Salvage Engineer	1,250	Submersible Pump 6"	500
Assistant Engineer	1,000	Hydraulic Pump 8"	1,000
Diving Supervisor	1,000	Welder 400 amp	200
Salvage Foreman	750	Hot Tap Machine	1,000
Salvage Diver	750	Winch 20t	200
Salvage Rigger	600	Hydraulic Powerpack	75
Special Advisors	1,000	Z-Boat 15'	350

# SALVAGE CONTRACTS NON EMERGENCY CASES

*POSSIBLE LOSS OF PROPERTY, ENVIRONMENTAL DAMAGE.  
REMOTE LOCATIONS AND BAD WEATHER*

## STRANDING & GROUNDING

**Tender Process, Some Urgency, Suitable Salvors, Salvage Plan, Necessary Equipment, Schedule, Costs, Negotiated Contract.**

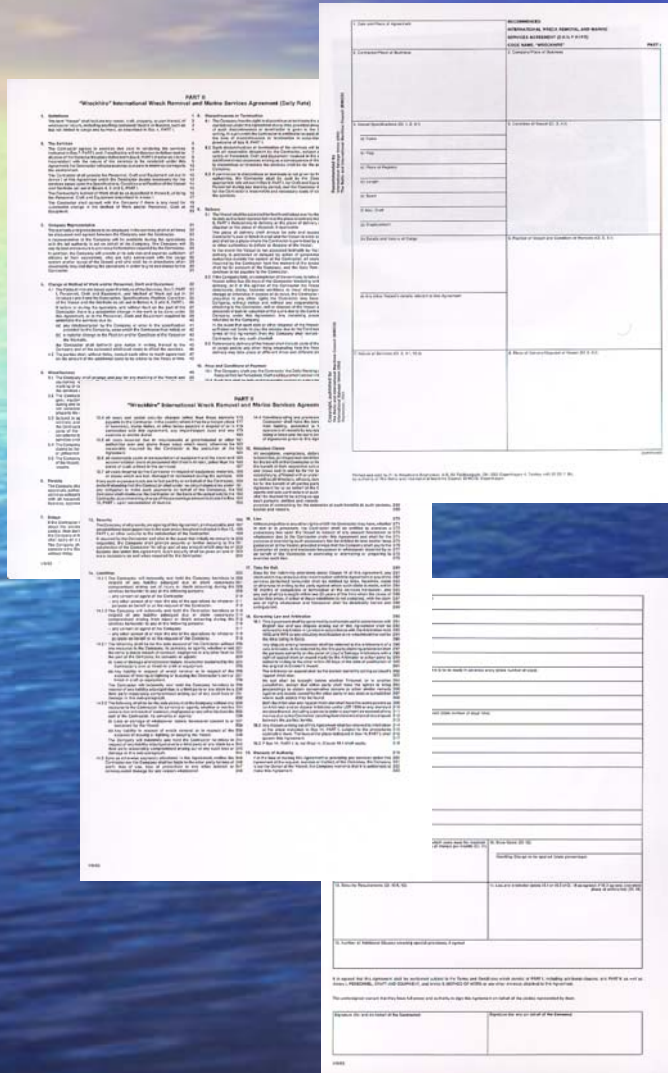
**Here we are dealing with cases where the casualty has to be refloated, this may involve, lightening the vessel to take full advantage of the high tide, repairing any grounding damage, transferring cargo or pressurising tanks.**





# SALVAGE CONTRACT STANDARD CONTRACT FORMS

## Non-Emergency Cases



### TENDER PROCESS

Suitable Salvors, Salvage Plan, Necessary Equipment, Schedule, Costs, Negotiated Contract.

### BIMCO Standard Forms

Part 1: Contract Details

Part 2: Contract Clauses

Part 3: Annexes for Additional Information

**SALVCON**

Lumpsum (Sub-contract)

**SALVHIRE**

Daily Hire (Sub-contract)

**TOWCON**

Lumpsum Towing

**WRECKCON**

Lumpsum Basic Contract

**WRECKHIRE**

Daily Hire

**WRECKSTAGE**

Lumpsum Stage Payment

**WRECKFIX**

Fixed Price (No Cure – No Pay)

# SALVAGE CONTRACTS

## WRECK REMOVAL

*POSSIBLE ENVIRONMENTAL DAMAGE, ECONOMIC DAMAGE,  
DANGER TO OTHER VESSELS*

**Tender Process, Not So Urgent, Suitable Salvors, Salvage Plan,  
Necessary Equipment, Schedule, Costs, Negotiated Contract.**

**Following a Wreck Removal Order by the  
proper authorities, the wreck is removed by  
salvors under a contract from Owners liability  
insurers.**

**The order can be issued because of a threat to the  
environment, a navigational hazard such as a  
submerged wreck or blocking a channel,  
affecting local amenities or economic disruption.**

**The Owners P&I Club will resist paying for wreck removals which in their  
opinion, are unwarranted. An authority can insist on a wreck being  
removed, pay for the removal themselves then seek compensation from the  
Owner. (“Iugo” Netherlands and “Lagik” UK)**





# SALVAGE WORK WRECK REMOVAL *“Tasman Spirit”*



**27 July 2003**  
**Karachi, Pakistan**  
**Crude Oil Tanker**  
**Built 1979 - 45,603 GRT**

**Oil removal operations  
followed by wreck removal**



# SALVAGE WORK WRECK REMOVAL *“Jolly Robino”*

St Lucia, South Africa  
11 September 2002  
Aground



Access from the shore by boat  
was impossible



# SALVAGE WORK WRECK REMOVAL *“Jolly Robino”*



**After removal of pollutants the wreck was blown up to open the hull to the sea and to discourage looters**

# SALVAGE WORK

## *“Tricolor”*

### Oil Removal

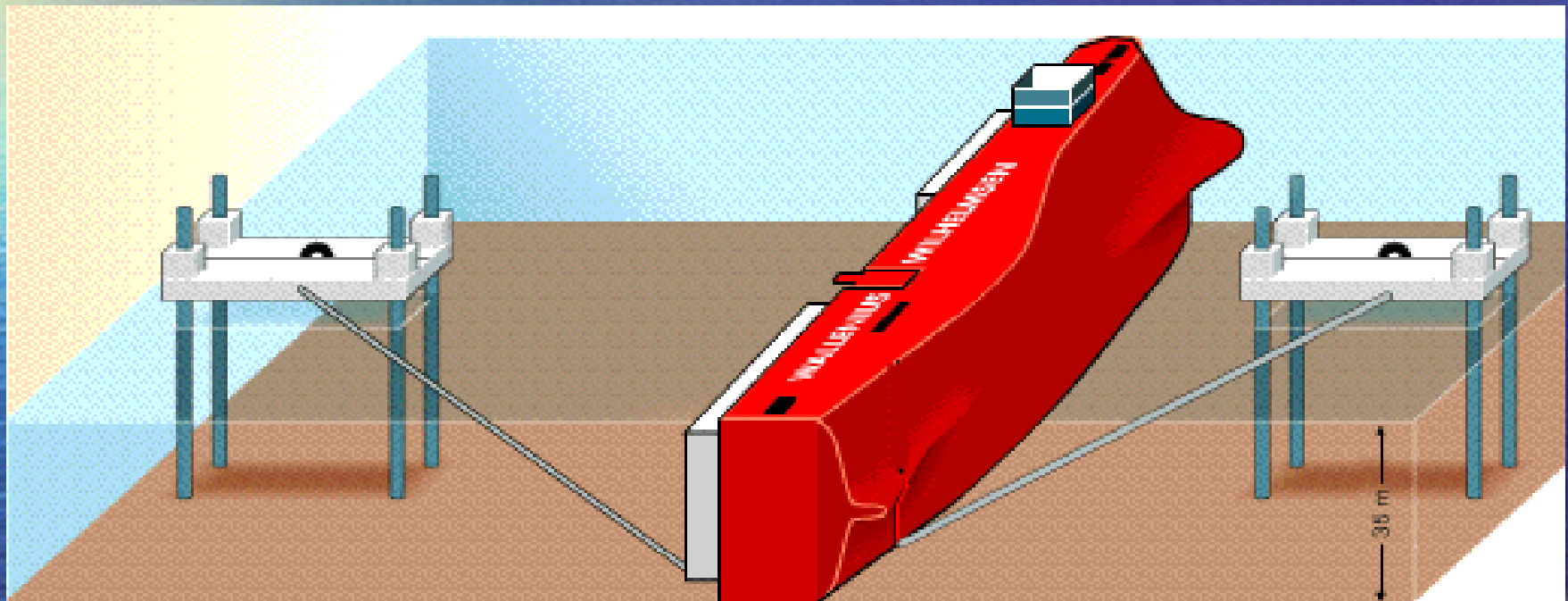




# SALVAGE WORK

## *“Tricolor”*

### Cutting Operation



# SALVAGE WORK

*“Tricolor”*

## Cutting Operation



**Cutting time per section about 40 hours**



# SALVAGE WORK

## *“Tricolor”*

### Transportation





# SALVAGE WORK

## *“Tricolor”*

### Transportation





# SALVAGE WORK

## *“Tricolor”*

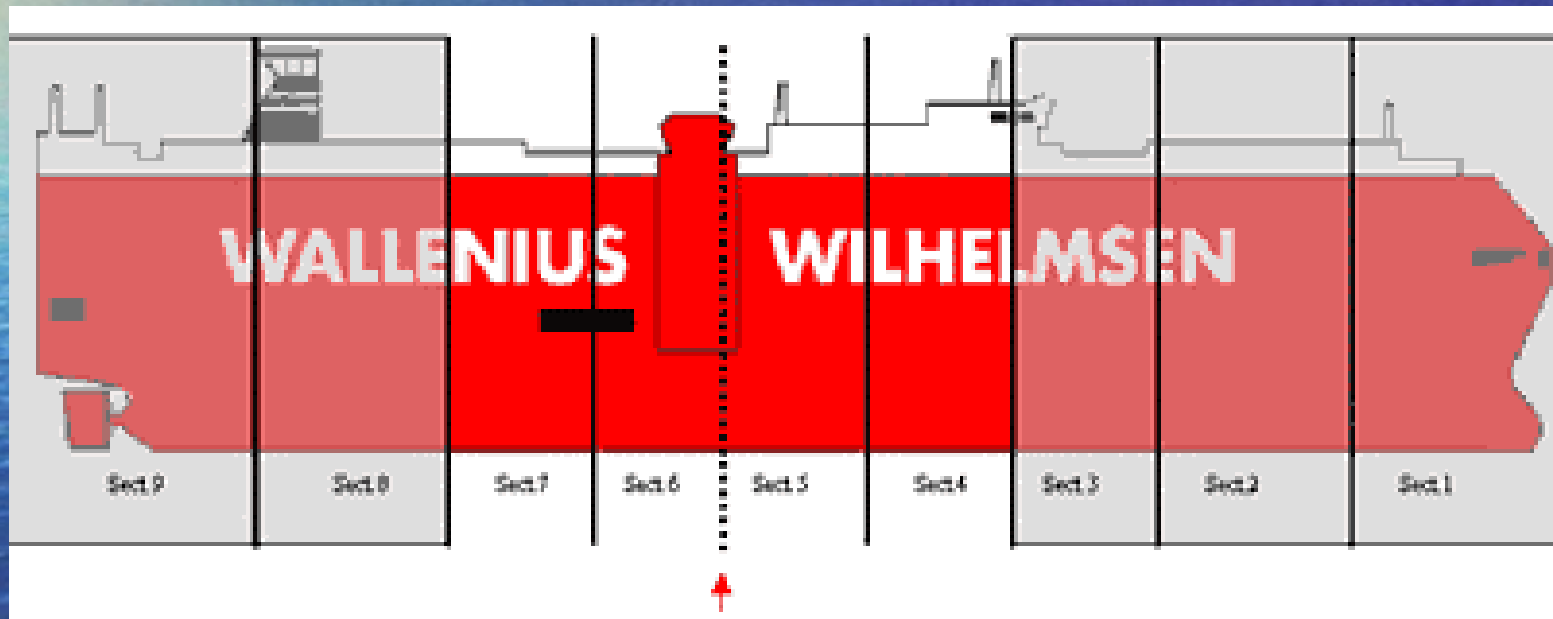
### Scrapping



# SALVAGE WORK

## *“Tricolor”*

### Sections



October 2003



# SALVAGE WORK

## *“Tricolor”*

### Grabbing



**May 2004**  
**Resume Wreck Removal Operations**

# **SALVAGE OPERATIONS MOBILISATION**

## **CASUALTY LOCATION**

**Casualties can occur wherever ships may wander and this can and often is in the most remote and inaccessible parts of the world. But obtaining physical access may be only the first of many logistical difficulties. Officialdom in its many forms can provides many severe problems. Dealing with customs, immigration, armed forces, environmentalists, regional commercial interests, pirates and even the local mafia can present a huge headache and extra expense to the salvor.**

**A salvage team can usually be at the casualty within 24 hours with necessary equipment, flown from the salvage store, close behind.**

**Tugs are moving around the world and are never in the right place at the right time. At about 14 knots (336 nautical miles per day), it can take the nearest salvage tug a number of days to reach the casualty location.**



# SALVAGE OPERATIONS MOBILISATION

## LOCAL AUTHORITIES

The Salvage Master needs to maintain good cooperation with the local authorities who must be kept fully informed. In the UK that could be the 'SOSREP' who has the power to 'exercise ultimate control' of a salvage operation.

A trust has to be established between salvors and the authorities early in the salvage operation to ensure that the salvage proceeds without unnecessary problems. Among his many skills the Salvage Master also has to be a diplomat.



# **SALVAGE OPERATIONS MOBILISATION**

## **EQUIPMENT & PERSONNEL**

**The type of equipment and the number and expertise of the personnel required for a particular salvage operation of course depends on the type and severity of the casualty situation.**

**Most professional salvor will have some type of salvage store with portable salvage equipment ready for immediate use. For example, Smit Salvage have four main stores in Rotterdam, Singapore, Cape Town and Houston. These stores contain a large variety of salvage gear built up over the years, including diving equipment, most types and sizes of salvage pumps with suitable hoses, cutting and welding equipment, generators, hydraulic power-packs, compressors, hot-tap machines, oil skimmers and inert gas generators.**

**All this equipment is packaged so that it can be flown on scheduled or chartered aircraft to the casualty location or carried by road.**



# **SALVAGE WORK MOBILISATION**

## **PERSONNEL**

Depending on the size and difficulty of the salvage or wreck removal operation the following personnel could be required.

- 1. Project Manager**
- 2. Salvage Master**
- 3. Assistant Salvage Master**
- 4. Project Coordinator**
- 5. Naval Architect**
- 6. Salvage Supervisor**
- 7. Diving Supervisor**
- 8. Logistics Officer**
- 9. Safety Officer**
- 10. Salvage Engineer**
- 11. Salvage Foreman**
- 12. Salvage Riggers (6)**
- 13. Salvage Welder**
- 14. Salvage Electrician**
- 15. Storekeeper**
- 16. Crane Operators**
- 17. Divers (12)**
- 18. Marine Chemist**
- 19. Surveyor**
- 20. Paramedic**

# **SALVAGE OPERATIONS MOBILISATION**

## **FLOATING EQUIPMENT**

**Salvage tugs will carry a certain amount of salvage equipment on board, such as pumps, welding machines, cutting equipment and compressors.**

**A straight forward refloating may only require the assistance of a single tug with a suitable bollard pull while a complicated salvage or wreck removal could involve a large salvage spread consisting of the following vessels.**

- 1. Salvage Tugs (2)**
- 2. Sheerleg Cranes (2)**
- 3. Accommodation Barge**
- 4. Salvage Barge & Tug**
- 5. Work Boat**
- 6. Safety Launch**





# SALVAGE OPERATIONS

## SALVAGE TUGS



It is very expensive for commercial salvors to have dedicated salvage tugs on station. Salvors with such tugs have different methods of paying for their upkeep.



Smit & Wijsmuller formed SmitWijs ocean towage company in 1991, and chartered their tug for large commercial tows. In 1997 they formed a pool of tugs with other towage companies. This pool operates under the name of the Global Towage Alliance.



Tsavliris still keep tugs on station, especially their large Russian tugs, they will accept ocean towage contracts although they mainly rely on charging high daily hire rates when the tugs are used for salvage work.

# SALVAGE WORK CO-OPERATION AND JOINT VENTURES

A worldwide network of co-operation agreements with reputable tug and salvage companies gives an essential local input. Smaller salvors may need help to execute a salvage operation and bring in expertise from the larger salvage companies on an ISU Sub contract.

*“Ever Decent”*

**Smit & Klyne Tugs**



*“Kerinci”*

**Smit & Semco**



*“Sally Albatross”*

**Smit & Hakans**





# SALVAGE OPERATIONS COMPLETION REDELIVERY TO OWNERS

*Fast Ferry “Condor 11” / Tanker “Sea Empress”*

**Tasmania - 1995  
Handed Back to Builders**



**Milford Haven – 1996  
Handed Back to Owners for Repair**



**SALVAGE OPERATIONS  
COMPLETION  
DELIVERY TO SALVORS**  
*Crude Oil Tanker “Sea Prince”*

**Grounded - Korea 1995**



**Foundered – Straits of Luzon**



# SALVAGE OPERATIONS COMPLETION DISPOSAL - SCUTTLING *“Buff Bay”*



Ship side valves and filters opened to the sea.  
Holes cut in side shell and bulkheads to allow  
vessel to flood throughout.



**General Cargo Vessel  
Indian Ocean  
August 2001  
Cracks in hull & flooding.**

# **SALVAGE OPERATIONS COMPLETION DISPOSAL - SCRAPPING**

**High scrap prices make a voyage to a ship breaking yard worthwhile  
There are ship breaking yards in most countries the biggest are in India,  
Pakistan, Bangladesh, Turkey, China & Holland**



**RoRo "*Tricolor*", Scrapped in  
Belgium**



**The worlds leading ship  
breakers - Alang, India**



# SALVAGE OPERATIONS COMPLETION DEMOBILISATION

On completion of the salvage operation all equipment has to be demobilised, cleaned and reinstated and this should be taken into account in the terms of the contract.

The floating equipment including barges and sheerleg cranes have to be towed back to station and the portable equipment returned to the salvage stores where it is serviced and repackaged ready for immediate use. Third party vessels are redelivered to their owners and hired men and equipment discharged. All out of pocket expenses and accounts settled.



# **SALVAGE CLAIM SETTLEMENT - NEGOTIATIONS**

**Following the successful conclusion of a salvage or wreck removal operation carried out under a fixed contract any payments due are usually made without any need for negotiations or dispute resolution.**

**If the salvage was carried out under an Open Form Salvage Agreement then the amount of remuneration or award paid to the salvor has to be decided. Salvors, Property Underwriters and where necessary the P&I Club have to negotiate a final settlement agreeable to all parties. This award will take into account the value of the property salvaged, both ship and cargo and, among other things, the skill of the salvor and the degree of difficulty involved in the salvage.**

**The size of the award usually take the form of a percentage of the salvaged fund agreed with the Shipowner and cargo interests. Over the past 10 years Lloyd's have reported the average award in cases settled by Arbitration to be in the region of 13.5%.**



# **SALVAGE CLAIM SETTLEMENT - DISPUTES**

**Payment disputes can arise out of a number of factors:**

## **1. CONTRACTUAL DISAGREEMENT**

- a. Place of redelivery – Safe Port, Discharge or Repair Port**
- b. Salvors efforts – Best Endeavours - Negligence**
- c. Out-of- pocket expenses – Payments to Third Parties**

## **2. SALVED VALUES**

- a. Hull repair costs – closest or most cost effective shipyard**
- b. Cargo values – Actual or estimated values**
- c. SCOPIC payment – Difference between Article 13 award**

## **3. ADJUSTMENTS**

- a. Interest – from completion of salvage until award**
- b. Currency – Dollar, Pounds, Euro – Fluctuations**

# SALVAGE CLAIM ARBITRATION

If a settlement agreement can not be reached with the Shipowner and cargo owners or their underwriters then the size of the salvage award will be decided at an Arbitration or through the Courts

The contract should state under which jurisdiction it is governed, often, as in the LOF agreement, this will be English Law.

Lloyd's Arbitration Service will appoint an Arbitrator from a panel of experienced QCs, to hear salvage cases.



**Nigel Teare**  
Appeal Arbitrator



**Belinda  
Bucknell**



**Michael  
Howard**



**Charles  
McDonald**



**John  
Reeder**



**Jeremy  
Russell**

The usual Arbitration hearing will have all sides represented by a barrister, Salvor, Shipowner and Cargo interests, often more than one party. Each barrister will be accompanied by his instructing solicitor and representatives of the parties concerned.

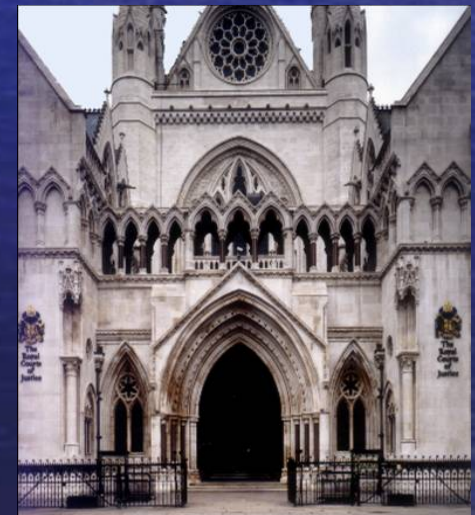


# SALVAGE CLAIM COMMON LAW

## THE HIGH COURT

Where there is a common law salvage claim or there is an important point of principle at stake or if the arbitration system has failed to obtain an agreement on a point of law, then the parties involved can take their case to the High Court, Court of Appeal and House of Lord for a judgement.

In the “Nagasaki Spirit” (1995) case salvors were dissatisfied with the Special Compensation awarded under Article 14 of Lloyds Open Form for prevention or limitation of damage to the environment. The case went all the way to the Law Lords who judged that there should be no element of profit in salvors expenses. This unsatisfactory outcome pleased no one and lead directly to the introduction of SCOPIC



# SALVAGE CLAIMS

THANK YOU



**“....it is the duty of the court to take care to adequately remunerate all salvors for salvage services in order to encourage those services to be performed...” [Gorell Barnes J, *The Liverpool* (1893)]**