



**American
Salvage
Association**



Salvage: Connecting Casualties with Claims

**Presented by:
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Richard Janssen SMIT Salvage**

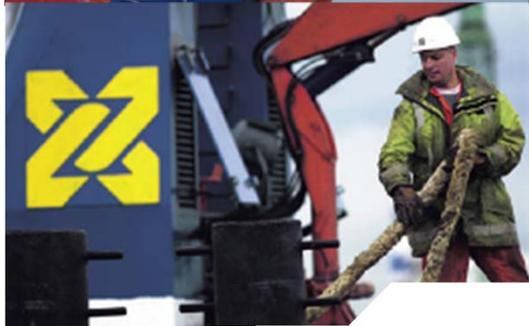


Responders / Salvors??





THE REAL EXPERTS



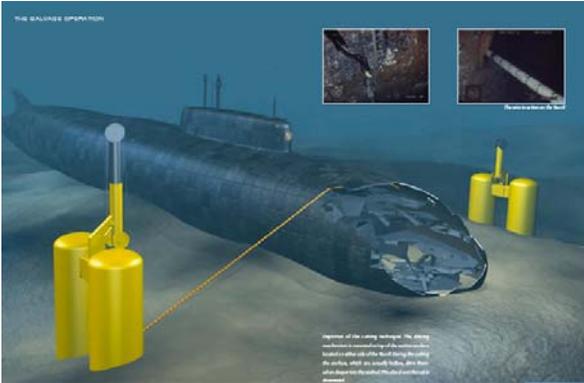


HARDWARE





HARDWARE





THE ROLE OF THE RESPONDERS



Focusing on the contracted responder:

- Vital role in the chain of loss mitigation
- Endeavour to work with all parties
- Explain one's role to "the others" and authorities
- Control and manage
- Be(come) the "go to" guy
- Create order in the prevailing chaos

PROFESSIONAL GOAL

Salvage Success

Technical

Commercial





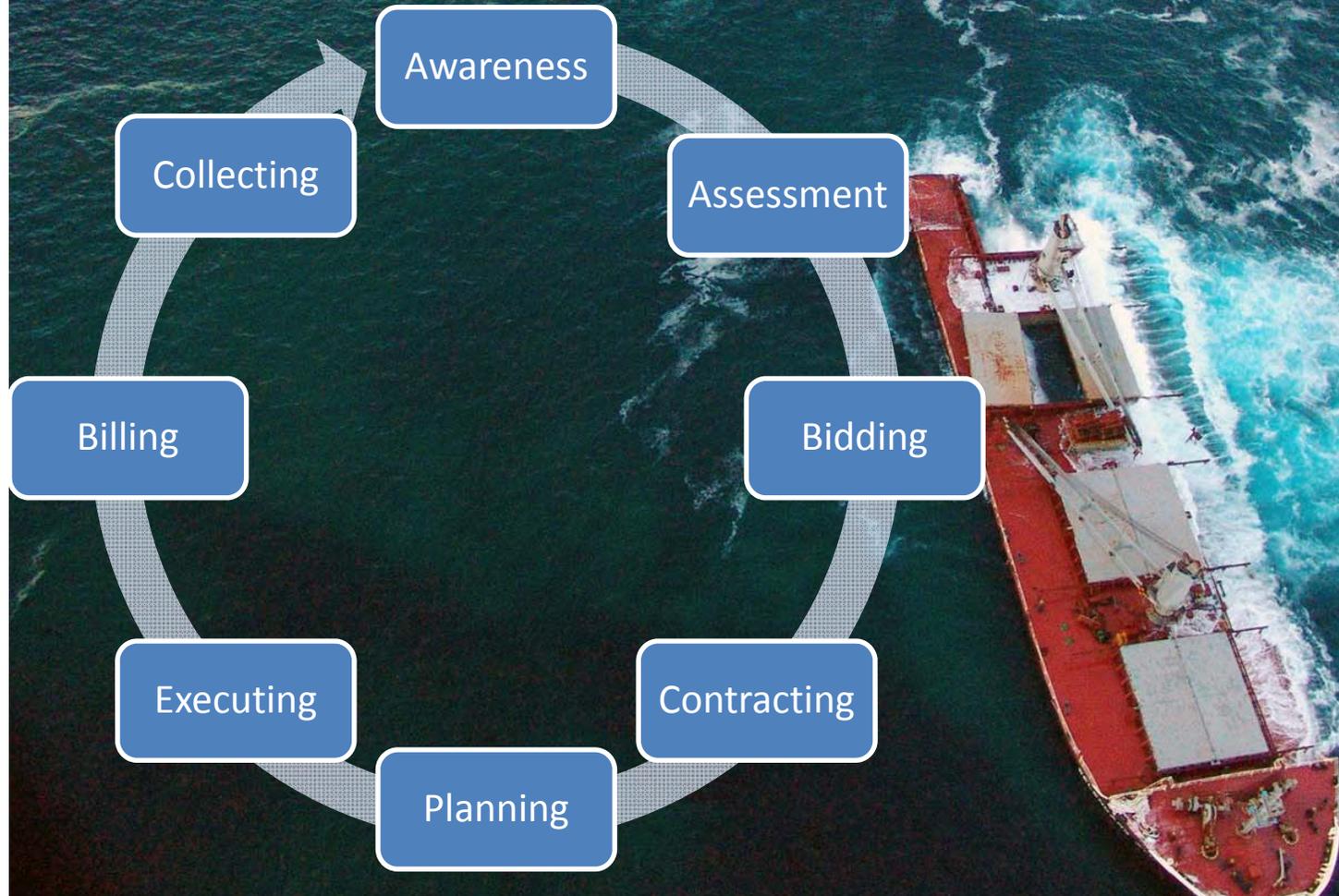
SALVAGE



- Emergency Response
- Ship and/or Cargo Value Available
- Shipowners Actively Involved
- Cargo Owners & Charterers Involved
- Hull & Machinery Pays
- General Average



LIFE CYCLE OF A SALVAGE JOB





LIFE CYCLE OF A SALVAGE JOB



- Lloyd's Casualty Reports
- Brokers
- Surveyors
- Authorities
- Owners
- Media



LIFE CYCLE OF A SALVAGE JOB



Lloyd's MIU The premier source of shipping intelligence

Urgent Transmission from Lloyd's MIU Casualty Reporting Service

Message Generated 21:06:57 27-Jun-09 UK Time

MARTI PRINCESS (Malta) RENATE SCHULTE (Germany)

Istanbul, Jun 27 -- General cargo *Marti Princess* (6019 gt, built 2008), Gemlik for Montoir, loaded, was in collision with fully cellular containership *Renate Schulte* (14619 gt, built 1994), Casablanca for Tuzla, in ballast, in lat 39N 2215, local time, Jun 27.-- TurkishStraits.com London, Jun 27 -- Following received from Piraeus RCC, time Jun 27: General cargo *Marti Princess* was in collision with *Renate Schulte* in lat 39 42N, long 25 45E. *Marti* sustained damage to hull amidships. Fully cellular containership *Renate Schulte* has sustained damage to hull amidships. Vessels in area to assist.

(Note -- *Marti Princess* , Class: China Classification, 8638 Dwt, IMO No: 9519377, P+I Club:Steamship Mutual Underwriting Association (Bermuda) Ltd, Contact: Atlas Gemi Isletmeciligi Ltd Sirketi, Istanbul, Turkey, phone +90 212 444 4444, *Renate Schulte* , Class: Germanischer Lloyd, 20250 Dwt, IMO No: 9057147, P+I Club:Assuranceforening Contact: Bernhard Schulte Shipmanagement (Deutschland) & Co. KG, Hamburg, Germany, phone 49-40-822265-650)

Tel: +44 (0)207 017 5205
Fax: +44 (0)207 017 4143
Email: casualty@lloydsmiu.com

Regards, Lloyd's MIU Casualty Reporting Service

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LIFE CYCLE OF A SALVAGE JOB



- On site Survey
- Dive Survey
- ROV Survey
- Photos
- Third Party Reports
- Drawings & Plans
- Statements



LIFE CYCLE OF A SALVAGE JOB





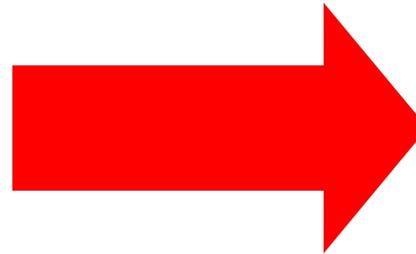


ESTABLISHING AN EMERGENCY RESPONSE



Typically :

- Commercial
- Contractual
- Logistical
- Operational



Response



LIFE CYCLE OF A SALVAGE JOB



- Day Rate or Lump Sum
- Competition Assessment
- Standard Tariff
- Risk Assessment
- Positioning
- Relationship with Potential Client
- Hull and Cargo Values



LIFE CYCLE OF A SALVAGE JOB



- Lloyd's Open Form
- Daily Rate
- Lump Sum
- Bonus Clause
- Security
- BIMCO Contracts



LIFE CYCLE OF A SALVAGE JOB



No Cure – No Pay

- Lloyd's Open Form
- Lump Sum
- Staged Payments

Time & Materials

- Daily Rate
- Daily Rate with Bonus
- Daily Rate with Cap



LIFE CYCLE OF A SALVAGE JOB



LOF 2000



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 Scopic Clause incorporated into this agreement? State alternative: Yes/No	
8 Person signing for and on behalf of the Contractors	9 Captain or other persons signing for an on behalf of the property



LIFE CYCLE OF A SALVAGE JOB



- Good Surveys
- Hull Modeling
- Experience & Local Knowledge
- Ship Support
- Plan A,B,C, and D
- Unified Command Interface
- Manage Expectations



LIFE CYCLE OF A SALVAGE JOB



- Mobilization
- On site Coordinator
- Accounting Support
- Salvage Plan
- Safety & Rest
- Daily Reports
- Cost Tracking
- Demobilization



ESTABLISHING AN EMERGENCY RESPONSE

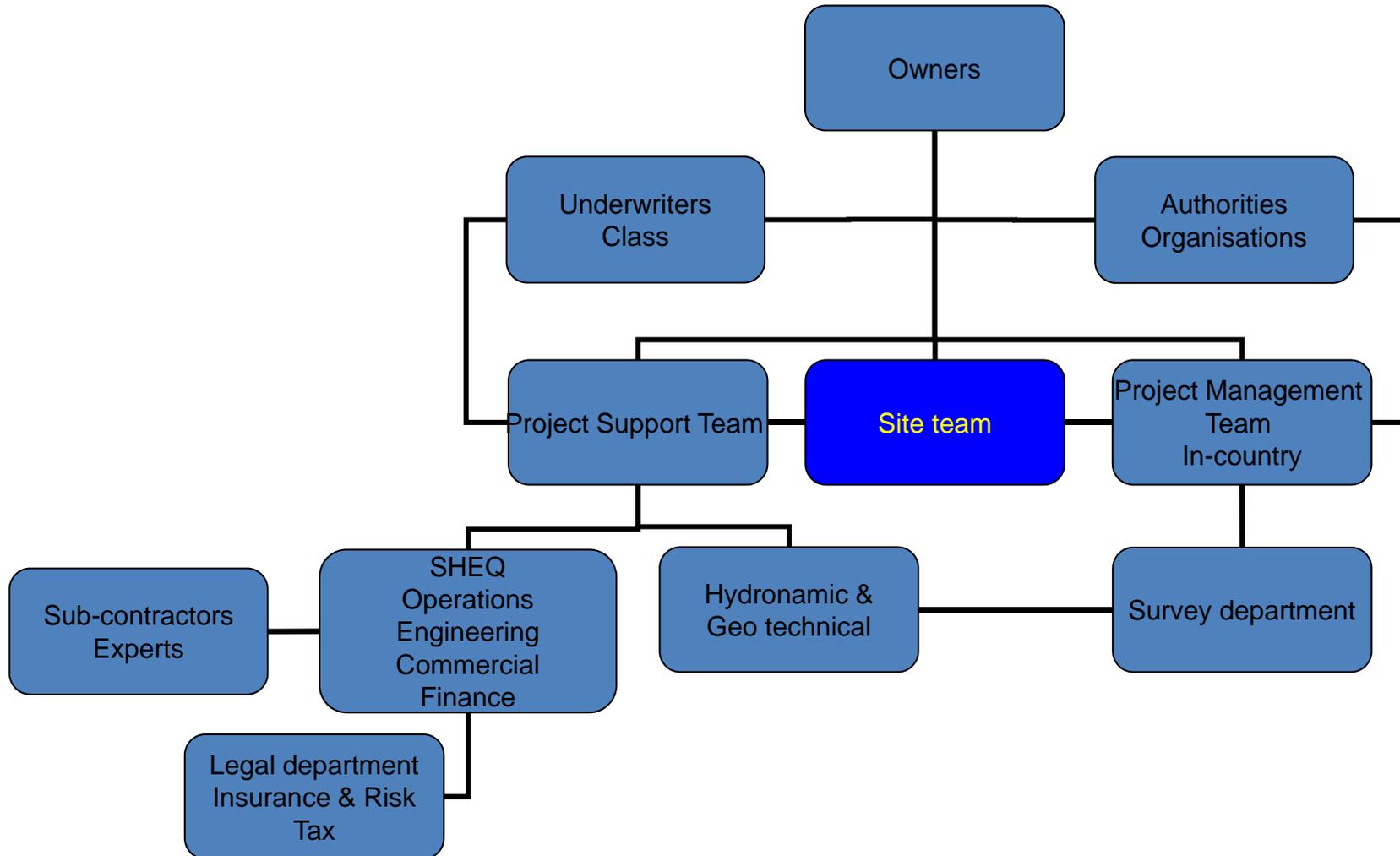


Typically:

- Initial assessment of the situation
- Selection of project management, salvage team(s) and experts
- Preferred partners, vendors, providers
- Plan A
- Plan B up to Plan ??
- Presentation to relevant parties
- Confirmation of the plan(s)
- Division of scope and responsibility amongst the parties and teams
- Salvage master on site is in charge



INTEGRATED PROJECT SUPPORT





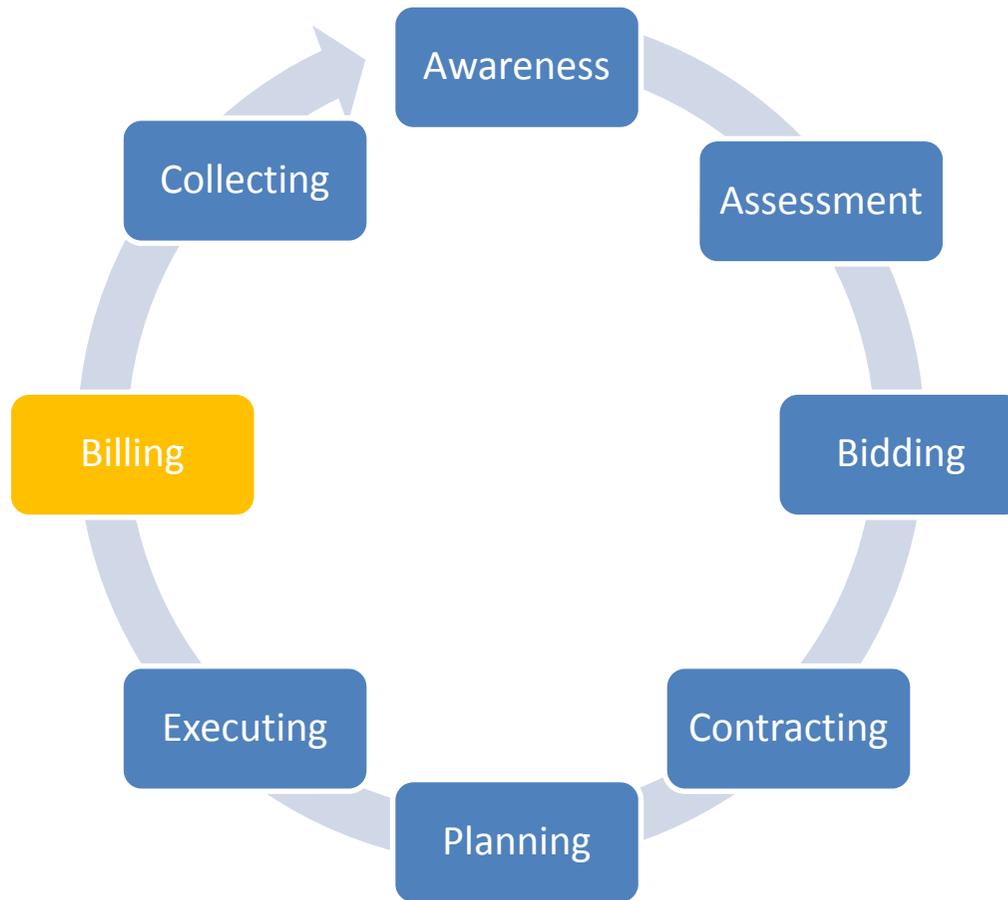


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LIFE CYCLE OF A SALVAGE JOB



- Prompt Invoicing
- Supporting Docs
- Client Pre-Sign Off
- Invoicing Loop



RECOVERY CHALLENGES



- Cargo manifest
- (Un)declared cargo
- Lack of landing area for containers
- Processing of landed containers (sound / affected / damaged / total loss)
- Surveying and assessment of values
- Discussion on security for art. 13





LIFE CYCLE OF A SALVAGE JOB



- Good Guy vs. Bad Guy
- Usually best for Ops to collect
- Insurance System Delays
- Time Value
- Arrest
- Thank You and Follow Up



HERE TO SERVE YOU!





VESSEL AND CARGO DETAILS

- | | | |
|----------------|--------------------------------|----------------------|
| • Name: | Thistle of Scotland | Sweet Chariot |
| • PoR: | St John's, Antigua and Barbuda | Southampton, UK |
| • Cargo: | 6 Chemical grades, some toxic | 1200 Passengers |
| • GT | 35,000 | 25,000 |
| • DWT | 65,500 | |
| • Hull values: | \$25,000,000 | \$150,000,000 |
| • Cargo value: | \$45,000,000 | Pax |



INCIDENT

- Collision in thick fog in the approaches to Falmouth about 50 miles offshore.
- The machinery spaces on the “Chariot” are flooded and she is disabled, listing slightly. Her Master sends out a “precautionary” Mayday.
- The “Thistle” has suffered extensive damage to the bow above the waterline, but none of the cargo tanks has been breached, but there are uncertainties regarding the integrity of the collision bulkhead.
- Given the uncertainty of the structural integrity and the relative stable situation on the “Chariot” passengers will remain on board until external help is available.



“CHARIOT”



- The owners have contracted on a LOF basis.
- The salvage team, aided by the ship’s engine room crew, must take steps to stabilise the flooded engine room.
- With the threat of potential adverse weather conditions, Salvors were forced to consider the overboard dewatering of oily water from the engine room and the potential implications of machinery damage.
- The stabilisation effort required a total of approximately 36 hours with a team of 10 experts who had been transferred to the ship by helicopter.
- During this time the salvors mobilised a tug (60t Bollard Pull) and she was made fast ready to commence the tow as soon as the all clear was given by the salvage crew on board.
- During this period, in calm weather and light mist, the passengers were evacuated on a craft chartered by the owners of the “Chariot”
- Some 50 hours after the incident the “Chariot” was towed in to the port of Falmouth where salvors tendered redelivery



“THISTLE”



- Owners spent some time trying to get a day rate towage agreement.
- The ship was able to use her engines, but the Classification society advised strongly against their use in view of the uncertain structural integrity
- At that time the ship was drifting in the tides in a now moderate North Easterly wind
- SOSREP had been advised of the situation
- After 24 hours the owners agreed a day rate towage contract with option to convert to LOF. Tug's eta 24 hrs after agreement on the terms.
- Tug owner decides to put a salvage team onboard as well as some pumping equipment.
- Upon arriving on the scene the ship was 75 miles offshore and fully exposed to the Atlantic swell that was building in advance of a severe storm heading towards the western approaches, the remains of Hurricane Charlotte.
- The salvage team was transferred to the vessel to assist the crew with making the towing connection. Once the connection was made to the stern of the “Thistle” a stern first tow commenced but unfortunately the tow parted due to the deteriorating weather.



“THISTLE”



- Salvors wishing to lift the option for LOF
- Possible pressure from SOSREP to deal with the situation appropriately
- If grounded her cargo would cause serious pollution and pose a lethal threat to nearby population
- Salvors setting course for sheltered waters
- A second tug was mobilised to assist and/or hold the ship while the bad weather passed over
- Assessment by salvors found cargo in the ballast tanks
- Inspection by the authorities
- Lightering operation and upon completion salvors tendered the ship for redelivery to owners
- Further assistance to owners offered on commercial terms



WHAT'S IT WORTH TO **YOU?**

Good morning Dublin!

Can we have your votes
please?