Maritime Casualty Response: Protecting Life, Property, and the Environment

Peter Robinson, MICS
Senior Commercial Manager
Agenda

• What is Salvage / Principles of Salvage
• OPA90 SMFF Vessel Response Plan
• Stakeholders
• Types of Contracts
• Factors Influencing Casualty Response
• Evolution of Maritime Casualty Response

Barge DB1 Wreck Removal – Gulf of Mexico, USA
Maritime History

Figure 1.1
The Westline: 5,000 years of maritime trading centres
Source: Stopford (1988)
What is Salvage

Salvage operation means any act or activity undertaken to assist a vessel or any other property in danger in navigable waters or in any other waters whatsoever.

a. Vessel means any ship or craft, or any structure capable of navigation.

b. Property means any property not permanently and intentionally attached to the shoreline and includes freight at risk.

c. Damage to the environment means substantial physical damage to human health or marine life or resources in coastal or inland waters or areas adjacent thereto, caused by pollution, contamination, fire, explosion, or similar major incidents.

International Convention on Salvage, 1989

Right PCC HOEGH XIAMEN Salvage and Marine Firefighting Operation – Jacksonville, Florida, USA
Principles of Salvage

a. Vessel or property exposed to peril or hazard of the sea
b. Services must be voluntary
c. Useful outcome – efforts, in whole or in part, contributed to saving of property, in whole or in part

Right MV SOLOMON TRADER Aground – Solomon Island
Policies

• International Convention on Salvage, 1989
• Lloyds Open Form, 2020 (Origin 1908)
• Special Compensation P&I Clause (SCOPIC) – Latest Revision 2020
• Oil Pollution Act of 1990
• International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties (INTERVENTION), 1969
• International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001
**Duties of the Salvor and Owner**

The salvor shall owe a duty to the owner of the vessel or other property in danger:

- carry out the salvage operation with due care
- exercise due care to prevent or minimize damage to the environment
- whenever circumstances reasonably require, to seek assistance from other salvors

The owner and master of the vessel or other property in danger shall owe a duty to the salvor:

- to cooperate fully with the salvor during the course of the salvage operations
- exercise due care to prevent or minimize damage to the environment
- to accept the vessel and/or property when reasonable requested by the salvor to do so at the place of safety

International Convention on Salvage, 1989

MV MSF LADY HALOUM Refloating Operation – Tripoli, Libya
Salvage vs. Wreck Removal

Salvage (Dry salvage) – Emergency Response, Towage, etc.

a. Hull & Machinery  
b. Cargo Insurance  
c. Emergency Response  
d. Residual Property Value – Ship and/or Cargo  
e. Shipowner, cargo Owner, Charterer  
f. General Average  
g. Remuneration – percentage of value saved

Wreck Removal (Wet Salvage)

a. Protection & Indemnity  
b. Wreck Removal Order  
c. Constructive Total Loss  
d. Non-emergency / bidding process  
e. Remuneration – negotiated fixed price / daily rate
OPA 90 SMFF / VRP

Vessel Response Plan
a. List Salvage and Marine Fire Fighting Provider
b. Funding Agreement
c. Activating a VRP
d. Timeframe Requirements
Salvage & Marine Fighting Provider

Salvage & Marine Firefighting Resource Provider - 15 Criteria

• Currently working in response services needed
• Document history of successful salvage/marine firefighting ops, including equipment deployment
• Owns or has contracts for equipment
• Personnel with training certification and degree experience
• 24 HR availability of personnel and equipment
• On-going training program, firefighting provides meets NFPA guidelines
• Successful record of participation in drills and exercises
• Salvage or firefighting plans used and approved during a real incident
• Membership in relevant national/international organizations
• Insurance that covers the services which they intent to provide
• Sufficient up front capital to support an organization
• Equipment and experience to work in the GSA
• Logistical and transportation support capability required for extended periods
• Capability to implement necessary eng. Admin, & Personal Protective Equipment (PPE) controls
• Familiarity with salvage & firefighting protocols in the ACP and COTP area

Telephone (24 Hours) +1 954 764 8700
“A VRP must be activated once the vessel’s Master has determined on board resources and personnel cannot meet the needs of an actual or potential incident”…

“Contacting the QI and/or alternate QI activates the VRP”…

“The QI then assesses the situation through consultative services and mobilizes response resources identified in the VRP if the incident requires”…
## SMFF Coverage Requirements

### TABLE 155.4030(b)—Salvage and Marine Firefighting Services and Response Timeframes

<table>
<thead>
<tr>
<th>Service</th>
<th>Location of incident response activity timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Salvage</td>
<td>CONUS: nearshore area; inland waters; Great Lakes; and OCONUS: &lt; or = 12 miles from COTP city (hours)</td>
</tr>
<tr>
<td>(i) Assessment &amp; Survey:</td>
<td></td>
</tr>
<tr>
<td>(A) Remote assessment and consultation</td>
<td>1</td>
</tr>
<tr>
<td>(B) Begin assessment of structural stability</td>
<td>3</td>
</tr>
<tr>
<td>(C) On-site salvage assessment</td>
<td>6</td>
</tr>
<tr>
<td>(D) Assessment of structural stability</td>
<td>12</td>
</tr>
<tr>
<td>(E) Hull and bottom survey</td>
<td>12</td>
</tr>
<tr>
<td>(ii) Stabilization:</td>
<td></td>
</tr>
<tr>
<td>(A) Emergency towing</td>
<td>12</td>
</tr>
<tr>
<td>(B) Salvage plan</td>
<td>18</td>
</tr>
<tr>
<td>(C) External emergency transfer operations</td>
<td>18</td>
</tr>
<tr>
<td>(D) Emergency lightering</td>
<td>18</td>
</tr>
<tr>
<td>(E) Other refloating methods</td>
<td>18</td>
</tr>
<tr>
<td>(F) Making temporary repairs</td>
<td>18</td>
</tr>
<tr>
<td>(G) Dividing services support</td>
<td>18</td>
</tr>
<tr>
<td>(iii) Specialized Salvage Operations:</td>
<td></td>
</tr>
<tr>
<td>(A) Special salvage operations plan</td>
<td>18</td>
</tr>
<tr>
<td>(B) Subsurface product removal</td>
<td>72</td>
</tr>
<tr>
<td>(C) Heavy lift</td>
<td>Estimated</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>(2) Marine firefighting</th>
<th>At pier (hours)</th>
</tr>
</thead>
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<tr>
<td>(i) Assessment &amp; Planning:</td>
<td></td>
</tr>
<tr>
<td>(A) Remote assessment and consultation</td>
<td>1</td>
</tr>
<tr>
<td>(B) On-site fire assessment</td>
<td>2</td>
</tr>
<tr>
<td>(ii) Fire Suppression:</td>
<td></td>
</tr>
<tr>
<td>(A) External firefighting teams</td>
<td>4</td>
</tr>
<tr>
<td>(B) External vessel firefighting systems</td>
<td>4</td>
</tr>
</tbody>
</table>

*COM041*COMUS: Offshore area; and OCONUS: < or = 50 miles from COTP city (hours)
Stakeholders

Regulators:
• Government / Incident Commander – Coast Guard, Harbor Master, Environmental Authority, Port State Control, etc.

Shipowner / Property Owner:
• Responsible Party, Qualify Individual, Shipowner, Technical Manager, Charterer, Cargo Owner, etc.

Underwriters – Funding:
• Hull and Machinery (Salvage)
• Protection & Indemnity (Liability – Wreck Removal, Pollution, Oil Removal)

Contractors:
• Salvor, Oil Spill Response Organization, Spill Management Team, Various Consultants

Public Interests:
• Media, Special Interests Groups, Local Industry, Citizens, etc.
Marine Casualty Response Agreements

Salvage / Emergency Response (Dry Salvage)

a. Lloyds Open Form 2020
b. US Form - MarSalv
c. Turkish Form
d. German Form
e. Japanese Form
f. Common Law

Wreck Removal (Wet Salvage) / Marine Services, etc.

a. BIMCO WRECKHIRE 2010 – day rate
b. BIMCO WRECKSTAGE 2010 – lumpsum stage payments
c. BIMCO WRECKFIXED 2010 – lumpsum no cure no pay
d. BIMCO TOWHIRE 2008 – day rate towage
e. BIMCO TOWCON 2008 – lumpsum towage
### Oil Spill Response - RESPONSECON

#### US RESPONSECON

**SPILL RESPONSE CONTRACT**

**FOR USE ONLY IN THE UNITED STATES OF AMERICA**

<table>
<thead>
<tr>
<th>PART I</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Place and date of Contract</td>
</tr>
<tr>
<td>2. Date of commencement of services/mobilisation</td>
</tr>
<tr>
<td>3. Requesting Party (place of business (full style, address, email and fax no.))</td>
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<td>4. Contractor (place of business (full style, address, email and fax no.))</td>
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<tr>
<td>5. This is a contract for</td>
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<tr>
<td>- (a) Equipment and Personnel services</td>
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<tr>
<td>- (b) Equipment hire only*</td>
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<td>*“Option (a) is chosen. Clause 6, Subclause 7(b)(v) and Subclause 8(b) will apply.”</td>
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<td>6. Nature of services/scope of work (see Annex A)</td>
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<td>7. Personnel rates (see Annex B)</td>
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<td>8. Equipment rates and particulars (see Annex C)</td>
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<td>9. Basis of hire (daily rate)</td>
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<td>10. Frequency of invoicing</td>
</tr>
<tr>
<td>11. Payment details</td>
</tr>
<tr>
<td>- Currency:</td>
</tr>
<tr>
<td>- Bank:</td>
</tr>
<tr>
<td>- Address:</td>
</tr>
<tr>
<td>- Account Number:</td>
</tr>
<tr>
<td>- Account Name:</td>
</tr>
<tr>
<td>- IBAN:</td>
</tr>
<tr>
<td>- BIC/SWIFT:</td>
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</tr>
<tr>
<td>13. Interest rate</td>
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**Additional clauses**

It is mutually agreed that this Contract shall be performed subject to the conditions contained herein consisting of Part I, Part II, additional clauses stated in Box 14, if any, and, when they have been agreed, Annexes A, B and C. In the event of a conflict of conditions, the provisions of Part II and any additional clauses shall prevail over those of Part I and Annexes A, B and C to the extent of such conflict but no further.

**Signature and company stamp (Requesting Party)**

**Signature and company stamp (Contractor)**

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#### RESPONSECON

**INTERNATIONAL SPILL RESPONSE CONTRACT**

**FOR USE OUTSIDE THE UNITED STATES OF AMERICA**

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Factors Influencing Response

- Type of Vessel – gas tanker, oil tanker, bulk carrier, passenger, etc.
- Type of Casualty: fire, explosion, oil spill / pollution, stranding, collision, sinking, flooding, etc.
- Cargo: quantity, properties, etc.
- Environmental: weather, tide, current, etc.
- Location: accessibility, remoteness, etc.
- Political: stable government, cabotage laws, domestic environmental legislation, international conventions, casualty experience, social unrest, etc.
- Stakeholder Relationships
- Type of Contract: responsibilities, risks, liabilities, etc.
Evolution of a Marine Casualty Response

Static Component
- Supply: warehousing, maintenance, research and development, certification (personnel and equipment), etc.

Mobilization
- Contracting: proposals, negotiation, contracting
- Transport and Planning: procedures, logistics, haulage, airfreight, charter - crafts, custom clearance, visas, accommodation, HIRA, etc.

Operation
- Plans and Permits: Salvage Plan, HIRA, HSE Plan, etc.
- Stabilization of Emergency / Wreck Removal Operations
- Redelivery of Casualty

Demobilization
- Transport and Restocking: haulage, custom clearance, decontamination, refurbish and restocking, redelivery of crafts
**Initial Timeline**

- June 04, 2020 at 1630 hrs: JFRD notified fire onboard PCC HOEGH XIAMEN
- June 04, 2020 at 1759 hrs: Resolve notified via Qualified Individual of Casualty
- June 04, 2020 at 1830 hrs: Resolve Salvage Master mobilized to Casualty
- June 04, 2020 at 1854 hrs: Resolve Fire Fighting Assessment Team onsite
- June 05, 2020 at 0100 hrs: Salvage Master arrived onsite
HOEGH XIAMEN - Mobilization

OPA 90 SMFF Client
Mobilized under terms of the Funding Agreement
Agreed Lloyds Open Form, 2020 SCOPIC Incorporated
FIFI Equipment mobilized from Jacksonville, Fort Lauderdale, Theodore, Houston, New Orleans, Charleston,
Chartered FIFI tugs ex Jacksonville
Chartered fuel recovery barge ex New York
Air Charter ex Houston
HOEGH XIAMEN - Mobilization

Lloyd's Open Form 2020

Fit for purpose contract

• Simplicity
• Alignment / Engagement of stakeholders (Owner, H&M, P&I, Cargo)

OPA90 Funding Agreement sets framework for various forms of contract

Vessel and / or cargo is in imminent danger

• Fire
• Explosion
• Sinking
• Substantial threat to the environment
HOEGH XIAMEN Operations

Casualty Response Operations

• 40+ Persons engaged onsite
• 24 hours operations (2 shifts per day)
• Relieve JFRD on site FIFI operations
• Firefighting and boundary cooling using FIFI tugs and portable FIFI systems
• Monitor and maintain Vessel's stability
• Environmental / Air Quality monitor
• Prepare heavy weather mooring (Hurricane Season)
• Cargo Removal (2,420 used motor vehicles)
• Fuel Removal (1,500 mt of heavy fuel oil)
• COVID-19 considerations
Vessel declared "safe for entry" on June 25, 2020

Transition to a commercial contract with daily hire terms – BIMCO WRECKHIRE 2010, suitably amended

• Cargo Removal
• Preparation for delivery tow to Turkey
• Caretaking
How Can We Help?

24 HR Emergency Response
+1 954 764 8700
emx@resolvemarine.com