The NAMS Global eNews

September, 2019

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The President's Corner

Gregon Gant, President

Howdy…
Halloween decorations appeared in my local box store this week. I guess fall is upon us, but the thermometer doesn't reflect it! It has been a busy summer and I hope that you found time to enjoy. Fall not only brings us football here in the US, but it seems to me to be the busiest time of year. Everyone is trying to squeeze those last few things in before the Holidays and the New Year. But there is still time and opportunity to complete those continuing education credits for 2019.
As we move from our busy summer schedule into the fall, slow down, take stock, and plan a productive season. The Holiday's and the end of 2019 will be here soon. Are you ready for 2020?
Marine technology is changing at a dizzying pace. The world's largest container ship recently made its maiden voyage with over 19,500 TEU aboard! That's almost 25,000,000 cubic feet of cargo volume and that's not quite a full load with her capacity of 23,756 TEU. The vessel is over 1,300 feet long with a 196-foot beam. As a comparison, the USS Gerald Ford (the newest aircraft carrier in the US Navy) is a mere 1,100 feet in length. This new container ship is equipped with the latest technologies for navigation and control, fuel efficiency, and reduced emissions. LNG is quickly becoming an attractive fuel for marine vessels as it offers lower fuel costs and improved emissions. LNG bunker barges have entered service in Europe and the US and more are under construction. LNG powered inland towing vessels are on the drawing board and will soon to be on the river. Electric and hybrid powered craft are here. Some of our members are on the forefront of these technologies. Others of us will have to learn before we are called upon to address them. These technologies broaden our required knowledge base. Are you ready?
For those of us on the East and Gulf Coast, it's still hurricane season. As I write, it's the 2nd anniversary of Hurricane Harvey. Many of us were affected by Harvey and are still recovering. Reggie and I moved back home in July. We are still unpacking boxes and rediscovering things we thought were lost and looking for others that may never be found. Are you ready?
Remember, each time you sign a letter, report, or email and include the "NAMS-CMS" moniker, you are representing the professionalism that is NAMSGlobal!
Learn Something and Share Your Knowledge Everyday

Gregon Gant, NAMS-CMS
President

View From the Helm of The NAMSGlobal eNews

NAMS is continuing to expand its presence on the web. The website is being upgraded, a Facebook page has been added, as well as a YouTube channel. Many thanks to Matt Knoll who has been spearheading these projects.

Website: https://www.namsglobal.org/

Facebook: https://www.facebook.com/NAMSGlobal/?ref=search&__tn__=%2Cd%2CP-R&eid=ARDogwIAQLUBJf3rOr6RKRLqmB7h-nvgsHMYfBn0TC5uaSxZ44X05NC0tBPbW5J_mdsYOECxvOzoqoCw

Youtube: https://www.youtube.com/channel/UC6G2tUjuHUsdh6lsN-Kn88Q/featured

And Allen Cody Taube has published a book, "THE ART OF WOODEN BOAT REPAIR - HOW TO SAVE WOOD BOATS" He is a veteran shipwright, NAMSGlobal CMS Marine Surveyor, and wooden schooner owner/sailor since 1974. This book has extensive information regarding surveying and repair of traditional wood boats - keel, stem, horntimber, planking, framing, caulking, decking and rig. The book is available on Amazon, link below.
https://www.amazon.com/dp/1936818485/ref=cm_sw_r_cp_apa_i_mlkvDbFKTV713

Be safe out there!

Phil Peterson, NAMS-CMS
Editor, NAMSGlobal eNews

Applicants/Members Change in Status

Name	Applying For	Region	Sponsored By
Raymond Clifford	CMS	New York	Richard Frenzel
William Garrison	CMS	West Gulf	Jeffrey Millard
Kevin Martin	North Pacific	Apprentice	David Jackson
Daniel Cole	CMS	East Gulf	Richard Frenzel
Heleno Dias de Azevedo	CMS	International	Mathew Knoll
John Frye	CMS	East Gulf	Robert Keister
John Huddleston	Associate	West Gulf	Richard Frenzel

New Members Elected July 26, 2019

Name	Applying For	Region	Sponsored By
Lee Taylor	CMS	South Atlantic	Richard Frenzel
Mark Clark	CMS	New York	Reinier Van Der Harp
Lee Rohlfing	CMS	Western Rivers	James Pritchard
Kevin Towery	CMS	Western Rivers	Jan Haynes
Jeff Arseneault	Associate	Eastern Canada	Kamal Ahmed
Richard Reichelsdorfer	Associate	Great Lakes	Richard Frenzel
K. Wendell Lewis	Associate	South Atlantic	Robert Bartek
Cameron Smith	Associate	Western Rivers	Roy Smith
Andy Verma	Associate	East Gulf	Rajesh Verma
Marc Felterman	Associate	East Gulf	Anthony Anselmi
Jeff Brumfield	Associate	East Gulf	Norm Antrainer
Michael Lagasse	Associate	East Gulf	Anthony Anselmi
Ben Brown	Apprentice	Central Atlantic	Reinier Van Der Herp

Members Retired

Name
Clay McGlasson Hull & Machinery 2001
Baton Rouge, LA

Ronald Sikora Y&SC 1994
Houston, TX

Upcoming Educational Opportunities

* NATIONAL ASSOCIATION OF MARINE SURVEYORS, INC.*

Sept. 12 – 13, 2019, Tacoma, WA
North Pacific Regional Fall Conference - 12 CEs offered
https://www.namsglobal.org/calendar/north-pacific-regional-fall-conference

Dec. 6, - 7, 2019, Virginia Beach, VA
Central and Mid-Atlantic Marine Surveyor Regional Meeting
https://www.namsglobal.org/calendar/2019/12/6/central-and-mid-atlantic-marine-surveyors-regional-meeting

* MARINE RISK CLAIMS SOLUTIONS, INC *

Nov. 7, 2019, Thibodaux, LA, Fifth Annual Seminar
https://maritimeclaimssolutions.com/

* INTERNATIONAL ASSOCIATION OF MARINE INVESTIGATORS *

Nov. 13-14, 2019, Henderson, NV, IAMI Regional Training Seminar-as Vegas
https://www.iamimarine.org/event-3426143

Mar. 1-4, 2020, Charleston, SC, IAMI's 30th Annual Training Seminar
https://www.iamimarine.org/event-3330946

* LLOYDS'S MARITIME ACADEMY *

A list of distance learning courses here:
http://www.lloydsmaritimeacademy.com/filter?type=7&sector=&location=&phrase=

* AMERICAN INSTITUTE OF MARINE UNDERWRITERS INTRO CLASSES *

AIMU has a number of distance learning programs, including webinars and e-learning. More information in the "Education" tab:
https://www.aimu.org/

* AMERICAN BOAT AND YACHT COUNCIL *

Sept. 10-12, 2019, Annapolis, MD
ABYC Gasoline Engines Certification
https://abycinc.org/events/EventDetails.aspx?id=1192308&group=

Sept. 10-12, Portland, OR
ABYC Marine Electrical Certification
https://abycinc.org/events/EventDetails.aspx?id=1203054&group=

Sept. 17-20, 2019, Portsmouth, VA
ABYC/NMEA Combined Training
https://abycinc.org/events/EventDetails.aspx?id=1192332&group=

Sept. 30, 2019, Tampa, FL
ABYC Standards Certification at IBEX
https://abycinc.org/events/EventDetails.aspx?id=1229431&group=

Oct. 23 – 25, 2019, Anacortes, WA
ABYC Marine Systems Certification
https://abycinc.org/events/EventDetails.aspx?id=1215070&group=

Nov. 5 – 6, 2019, Annapolis, MD
Practical Application of ABYC Standards
https://abycinc.org/events/EventDetails.aspx?id=1241701&group=

Nov. 18 – 20, 2019, Cedarville, MI
ABYC Marine Electrical Certification

https://abycinc.org/events/EventDetails.aspx?id=1202666&group=

Nov. 19 – 21, 2019, Acworth, GA
ABYC Diesel Engine Certification
https://abycinc.org/events/EventDetails.aspx?id=1245058&group=

Nov. 19 – 22, 2019, Anacortes, WA
ABYC/NMEA Combined Training
https://abycinc.org/events/EventDetails.aspx?id=1216496&group=

Dec. 3 – 6, 2019, Sarasota, FL
ABYC/NMEA Combined Training
https://abycinc.org/events/EventDetails.aspx?id=1194283&group=

Dec. 10 – 12, 2019, Brunswick, ME
ABYC Electrical Certification – FAST TRAC
https://abycinc.org/events/EventDetails.aspx?id=1218667&group=
Dec. 10 – 12, 2019, Annapolis, MD
ABYC Marine Systems Certification
https://abycinc.org/events/EventDetails.aspx?id=1216510&group=

Dec. 17, 2019, Midland, ONT
ABYC Marine Systems Certification
https://abycinc.org/events/EventDetails.aspx?id=1218539&group=

Jan. 7, 2020, New Orleans, LA
Marine Law Symposium: Fire, Explosions, and Other Thermal Events
https://abycinc.org/events/EventDetails.aspx?id=1259034&group=

Jan. 14 – 16, 2020, Annapolis, MD
ABYC Marine Electrical Certification
https://abycinc.org/events/EventDetails.aspx?id=1237465&group=

Jan. 20 – 22, 2020, Cedarville, MI
ABYC Gasoline Engines Certification
https://abycinc.org/events/EventDetails.aspx?id=1210236&group=

Jan. 28, 2020, Ashland, WI
ABYC Marine Electrical Certification
https://abycinc.org/events/EventDetails.aspx?id=1254096&group=

* TOWING VESSEL INSPECTION BUREAU *

Oct. 8 – 10, 2019, Channelview, TX
Annual Survey of Towing Vessels Course
https://www.thetvib.org/event/annual-survey-of-towing-vessels-course-2/

*** SOCIETY OF ACCREDITED MARINE SURVEYORS ***

Sept. 25 – 27, 2019, Savannah, GA
SAMS 2019 International Meeting & Educational Conference
https://www.marinesurvey.org/category/events/

*** INDEPENDENT MARINE CONSULTANTS AND SURVEYORS***
Courses can be found here:
https://imcs-training.eu/

*** AMERICAN SOCIETY OF APPRAISERS ***

Sept. 16, 2019, Webinar
USPAP
http://www.appraisers.org/Education/View-Course?CourseID=280

Oct. 10, 2019, Long Beach, CA
Marine Survey
http://www.appraisers.org/Education/View-Course?CourseID=110

NAMSWorthy Articles of Interest

From the American Waterway Operators:

The American Waterways Operators
The Tugboat, Towboat & Barge Industry Association

Some of our member companies have begun to receive bills from the Coast Guard for towing vessel inspection user fees, and a few have contacted us with questions about them. The Coast Guard is required by law to charge a fee for inspection services provided to vessels required to have a Certificate of Inspection under 46 U.S.C. 2110. As discussed in the preamble to the Subchapter M final rule, until the Coast Guard promulgates a rulemaking to set a new fee specific to towing vessels, they will be assessed an annual inspection fee of $1,030 per vessel beginning one year after the vessel receives its first COI. Because the Coast Guard started issuing COIs to towing vessels last year, many companies will be required to start paying the inspection fee this year.

AWO has been working with Congress to keep the pressure on the Coast Guard to set new towing vessel inspection fees specifically tailored to Subchapter M. The Coast Guard Authorization Act of 2018 directed the Coast Guard to analyze the costs to the government of towing vessel inspections performed under the Coast Guard option and the TSMS option, and authorized the agency to differentiate inspection fees accordingly. Unfortunately, although the Coast Guard has completed this analysis, it has not yet transmitted the study to Congress and has not announced a timeline for its

rulemaking.

Given the agency's delay, AWO is actively advocating for the inclusion of a measure in the upcoming Coast Guard authorization bill to freeze the imposition of towing vessel inspection fees until the agency has promulgated a rulemaking to establish fees that differentiate between vessels using the TSMS option and the Coast Guard option. In the meantime, AWO encourages members that are billed by the Coast Guard to pay the current fee as required.

The AWO staff team will keep members posted on our efforts. Please don't hesitate to call or email me if you have any questions or concerns.

- *Thanks to Ed Shearer for forwarding this information*

More From the American Waterway Operators:

The Coast Guard's Office of Commercial Vessel Compliance has released an update to its October 2018 guidance for OCMIs to use when receiving requests for special consideration for navigation lights and shapes. Specifically, the enclosure to Work Instruction 010(2) clarifies that the Coast Guard's interpretation of 46 CFR §140.720, which reads, "Each towing vessel must be equipped with navigation lights, shapes, and sound signals in accordance with" the COLREGS or 33 CFR Part 84, is that "vessels only need to carry and exhibit the lights and shapes the vessel needs to operate." For example, if a towing vessel is not equipped with an anchor and thus cannot be anchored, an OCMI may approve a special consideration request not to carry and display the lights and shapes prescribed for that status. If authorized by the OCMI, the special consideration request must be documented within the TSMS applicable to the vessel and notated on the COI.

The Coast Guard adds that "it is incumbent upon the master of the vessel to ensure that no ambiguity exists as to the vessel's aspect or status. In cases where the prescribed navigation lights or shapes are not exhibited, the vessel cannot visually claim any special circumstances, such as restricted in ability to maneuver. If the vessel were to operate in a condition or configuration and not exhibit the appropriate lights and shapes, then the OCMI may hold the vessel responsible for not complying with the Navigation Rules."

AWO has been working on a resolution to this issue since it was first identified by our members, and we are pleased that the Coast Guard has taken this action.

- *Thanks to Ed Shearer for forwarding this information*

Inland Towing Operators Working Together (ITOW) approved as third party organization under Subchapter M

The Towing Vessel National Center of Expertise (TVNCOE) posted on its website Aug. 5, 2019, that the Coast Guard has approved Inland Towing Operators Working Together (ITOW) as a third-party organization (TPO) to carry out certain functions in accordance with Subchapter M. A complete list of all Coast Guard approved TPOs can be found on the TPO webpage.

In accordance with 46 CFR 139.110, classification societies that are recognized and/or authorized meet the requirements of a TPO. These classification societies are approved by regulation to perform certain work as a TPO without further Coast Guard approval.

Organizations other than recognized and/or authorized classification societies that conduct TPO

functions for towing vessels must be Coast Guard approved.

An organization seeking approval as a TPO under Subchapter M must, at a minimum, submit an application package containing all the information listed in 46 CFR 139.120. The application package must be submitted to the Towing Vessel National Center of Expertise, which will review the information and determine if the organization meets the minimum standards for approval as a TPO. TPO approvals are granted for a period of five years.

Submit TPO application packages to:

Towing Vessel National Center of Expertise
504 Broadway St. Suite 101
Paducah, Kentucky 42001

More information, guidance, and checklists are available on TVNCOE's website. Submit questions to tvncoe@uscg.mil. (From Coast Guard Maritime Blog)

HAPAG-LLOYD TO FINE SHIPPERS $15,000 PER BOX FOR ANY MISDECLARED HAZARDOUS CARGOES

With misdeclared hazardous cargoes sparking many dangerous fires on box ships around the world, Germany's top liner has taken severe action – imposing a fine of $15,000 per wrong container. Hapag-Lloyd suffered a high profile fire on of its ships, Yantian Express, earlier this year, that raged for weeks and caused millions of dollars of damage.

The new fines system comes into play from September 15.

"To ensure the safety of our crew, ships and other cargo onboard, Hapag-Lloyd holds the Shipper liable and responsible for all costs and consequences related to violations, fines, damages, incidents, claims and corrective measures resulting from cases of undeclared or misdeclared cargoes," the German carrier stated in a note to clients.

Hong Kong's Orient Overseas Container Line (OOCL), now a unit of China-based Cosco, also detailed plans yesterday to crack down on misdeclared dangerous and hazardous cargo.

OOCL said in a notice to customers that "we are aware that there had been an increasing number of marine incidents being reported in 2019, many of which were suspected of potentially carrying un-declared and/or misdeclared hazardous cargo", adding that "to ensure safety compliance on shore and at sea is met, OOCL will strengthen its Dangerous Cargo acceptance and container inspection policy by imposing additional verification before loading through selective or random inspections on dangerous goods and potential dangerous goods cargo."

OOCL said any inconsistencies between the declared cargo in the documents and what was physically inside the container would result in a Hazardous Cargo Misdeclaration Fee, without indicating how severe the fine would be.

Depending on the type of deficiencies found in such a shipment, the container could be put out of service and the cargo might be put on hold where penalties may be imposed, and charges associated with the misdeclaration would be on the shipper's account.

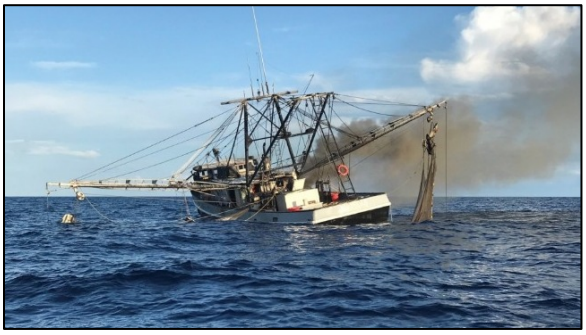
According to the Cargo Incident Notification System (CINS), nearly 25% of all serious incidents

onboard containerships are attributable to misdeclared cargo.
While the exact breakdown of cargo contents varies by container, it's well known that at any given time, between 5-10% of an average container ship's cargo is declared as hazardous goods and approximately 12% of global container trade comprises dangerous goods. However, it's nearly impossible to know how much dangerous cargo is undeclared, or misdeclared.
Commenting on the news from Hapag-Lloyd, Andy Lane, a container shipping consultant based in Singapore, applauded the initiative and urged other liners to follow suit. "The booking party is not always the payer, so they will need to ensure that the penalties are imposed or else it can become a toothless tiger. $15,000 will not cover the cost of accidents, but it might cover the cost of inspections and enforcement. All shippers should embrace this, as 99.9% suffer today due to errant actions of the 0.1%. The other carriers will need – and should – follow suit, as those errant shippers who consciously fail to declare will direct this scourge elsewhere. The is no priority higher than crew, ship and cargo safety," Lane told Splash. (Splash 247.com, 8/7/2019) Courtesy AIMU Weekly Bulletin

CAN 'SMART CONTAINERS' PREVENT SHIP FIRES?

Amid a rash of container ship fires and stiffer penalties for misdeclared cargo, smart container technology is being proposed as a better way to detect hazardous cargo that hasn't been properly declared by shippers and forwarders.
Can new smart technology be leveraged to enable a container to detect the presence of hazardous cargo packed inside and issue an alert to the carrier on which it is loaded? Perhaps, but it will take far more sensor adoption and even "smarter" sensors to make that a reality.
Peregrine Storrs-Fox, risk management director for insurer TT Club and a leading voice in the fight to prevent ship fires and reduce the misdeclaration of cargo, said it's inevitable that Internet of Things (IoT) devices would emerge as a way to support ship operations.
"Loggers have long been used within cargo, but are passive," he told JOC.com. What has been developed over the past decade for container-sited devices has the potential to be far more powerful, monitoring various aspects of condition, such as heat, humidity, movement, etc., and then having the capability to communicate to any control center, whether ship bridge or remotely on land.
The issue is front and center again after a blaze on container carrier APL Le Havre in India last weekend came just days after carriers announced stiffer fees for misdeclaration and stronger inspection processes.
APL Le Havre was the fifth major ship fire this year – four containerships and one roll-on, roll-off (ro-ro) vessel, and carriers are running out of patience. To prevent the intentional or irresponsible misdeclaration of dangerous goods cargo, carriers have announced heavy new fines for shippers not following established hazardous cargo guidelines. (Journal of Commerce, 8/13/2019) Courtesy AIMU Weekly Bulletin

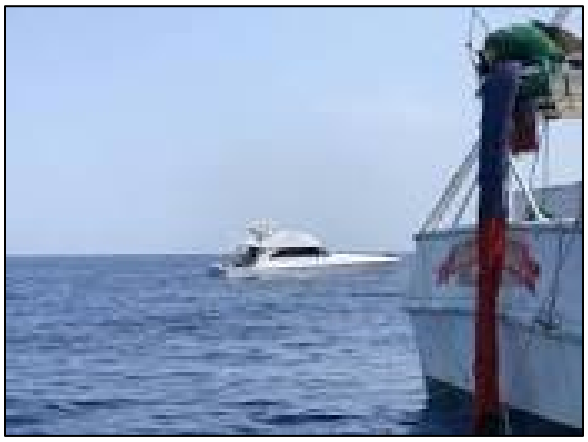
NTSB MARINE ACCIDENT BRIEF: FIRE ABOARD AND SUBSEQUENT SINKING OF FISHING VESSEL MASTER D



Executive Summary: About 0030 local time on August 31, 2018, the fishing vessel Master D was transiting with three crewmembers in the Gulf of Mexico 45 miles southeast of South Padre Island, Texas, when a fire in the engine room was discovered. After unsuccessfully trying to extinguish the fire, the crew abandoned the vessel without injury. The fire continued to burn until the vessel sank the next day. An oil sheen approximately 400 yards by 1 mile was visible in the water after the sinking. The estimated property damage exceeded $162,000.

Probable Cause: The National Transportation Safety Board determines that the probable cause of the fire aboard the fishing vessel Master D was leaking lube oil from the diesel generator that contacted a hot engine surface and ignited. Contributing to the eventual sinking was the failure of fire-damaged nonmetallic hoses connected to through-hull fittings below the waterline. (NTSB Wire, 8/15/2019) Courtesy AIMU Weekly Bulletin

NTSB MARINE ACCIDENT BRIEF: COLLISION BETWEEN FISHING VESSELS GOT'M ON AND LADY TONI AND SUBSEQUENT SINKING OF GOT'M ON



Executive Summary: On the afternoon of July 28, 2018, the sport-fishing vessel Got 'M On collided with the commercial fishing vessel Lady Toni about 105 miles east of Corpus Christi, Texas. The Got 'M On began flooding and all eight persons aboard disembarked to a Good Samaritan vessel before the sport-fishing boat sank. No pollution or injuries were reported. The value of the Got 'M On was $1.2 million and damage to the Lady Toni was about $250,000.

Probable Cause: The National Transportation Safety Board determines that the probable cause of the collision between sport-fishing vessel Got 'M On and commercial fishing vessel Lady Toni was the failure of the Lady Toni captain to take appropriate action to avoid the collision, and the Got 'M On captain's failure to safely operate his vessel by leaving the bridge unattended. (NTSB Wire, 8/15/2019) Courtesy AIMU Weekly Bulletin

American rescuer who saved four to be recognized with IMO bravery accolade

Petty Officer Michael Kelly, a rescue swimmer with the United States Coast Guard, will receive the 2019 IMO Award for Exceptional Bravery at Sea, for his courage, perseverance and skill in rescuing four survivors from a life raft, in extremely high winds and heavy seas.

A panel of judges decided that the rescue merited the highest award. The decision was endorsed by the IMO Council at its 122nd session in London (15-19 July).

Petty Officer Michael W. Kelly, Aviation Survival Technician Second Class, Coast Guard Air Station Cape Cod, United States Coast Guard, was nominated by the United States of America for his part in the rescue operation which took place on 14 November 2018.

On that stormy day, the crew of the rescue helicopter CG6032 was directed to provide assistance to the sinking fishing vessel Aaron and Melissa II. The vessel's four crew members were abandoning ship in very severe weather conditions, 70 miles off the Coast of Portland, Maine, United States.

After taking off, the helicopter crew immediately encountered very strong turbulence and gusts up to 60 knots. Arriving on scene, the aircrew located a life raft, battered by raging seas.

AST2 Michael Kelly was immediately deployed into the cold water. Battling 20-foot waves and chasing the raft, which was constantly being blown away by 50-knot winds, he finally managed to reach the anchor line and pull himself to the life raft.

It was a critical situation with all four survivors suffering from hypothermia. Two were unable to swim, while the flooded raft was in danger of capsizing. With great strength and stamina, AST2 Michael Kelly pulled each survivor from the raft, one by one, swimming strongly through the storm to keep them afloat. Each was lifted into the swaying rescue basket to be hoisted to safety.

After each rescue, AST2 Kelly was forced to regain lost ground, as the heavy winds continued to push the raft further away. He fought through extreme weather conditions, as well as physical and mental exhaustion, to save the lives of four seafarers in distress.

The panel of judges agreed that AST2 Kelly demonstrated truly exceptional bravery and determination. (IMO Press Briefing 7/23/19)

COAST GUARD DETAILS FEBRUARY CYBERATTACK ON SHIP

The cyber attack on a merchant vessel that prompted a U.S. Coast Guard warning this month was due to an infection with the Emotet malware, which has been particularly effective in attacking government and corporate networks.

The Coast Guard revealed more details about the February attack this week at a cyber security conference hosted by Fordham University and the Federal Bureau of Investigation.

The Department of Homeland Security referred to Emotet in a 2018 advisory as “among the most costly and destructive malware affecting state, local, tribal and territorial governments,” costing on average $1 million per attack to fix.

It appears that the ship may not have been specifically targeted by hackers. Instead, the virus could have been introduced into the ship’s systems due to shoddy cyber security practices. The Coast Guard hasn’t named the ship in an effort to encourage others to report cyber security incidents.

Coast Guard Capt. Jason Tama, captain of the Port of New York and New Jersey and commander of the Sector New York region, said the agency received a report in late February from a U.S.-flagged ultra-large container ship, known as a deep-draft vessel, bound for New York City.

The crew reported that their shipboard network had been “totally debilitated” by malware, Capt. Tama said at the conference. They couldn’t resolve the issue, and neither could the shipping company’s system administrators, working onshore.

“I’m pretty confident there are cyber incidents happening on vessels throughout the world every single day, most of which aren’t reported to any sort of authority,” Capt. Tama said. “So in this case, the fact that it was reported meant we knew it was significant enough that there must have been a big problem aboard that ship.”

The Coast Guard issued a marine alert in early July, describing the incident in broad terms and warning the maritime shipping industry that it should be taking basic precautions against cyber attack.

“I needed to make a risk-management decision on how to deal with the ship. What was the state of the shipboard network? What was the state of the ship’s critical navigation systems, engine control systems, et cetera? We had to make a quick assessment,” he said.

The Coast Guard contacted the FBI and then sent its own team of cyber specialists by boat to board the ship before it docked, to assess the damage.

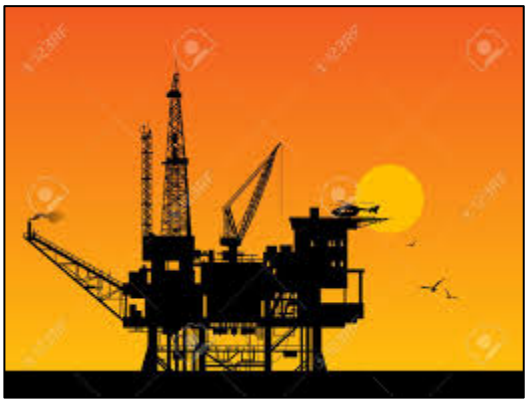
Once aboard, the team quickly realized that the ship’s systems had fallen victim to a credential-mining virus, which Capt. Tama said was Emotet. The malware had infiltrated the ship’s network due to an almost total lack of cyber security safeguards, he said.

An investigation by the Coast Guard and the FBI found that there was a single login to the ship’s computer shared among all crew, that external hard drives and memory devices were routinely plugged in without security measures, and that there was no antivirus software installed on the ship’s computers.

In addition, Capt. Tama said, the vessel had visited ports in Pakistan, India and Oman. In those ports, it had been common practice to share memory sticks - containing cargo and route data, human resources information and fuel data - with third-party vendors, and plug them directly into the network.

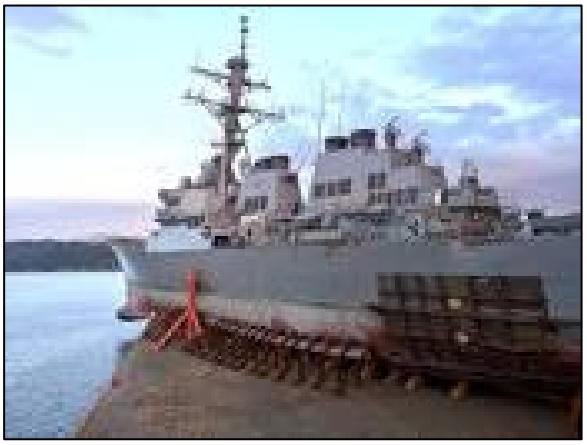
The malware infection of the deep-draft vessel, he said, exposed just how much worse the effects could have been.
The ship's crew and operator cooperated with the Coast Guard and the FBI, Capt. Tama said. July's alert, he said, was meant to "ring the bell" on the poor state of cyber security in the maritime shipping industry.
"I've been on a lot of ships," Capt. Tama said. "What we found on this ship is not anomalous." (The Wall Street Journal, 7/26/2019) Courtesy AIMU Weekly Bulletin

INSURERS SAY NEW EVIDENCE WARRANTS REDO OF $500M RIG SUIT



Insurance underwriters for Chevron tried to convince a Texas federal judge on Tuesday that she erred in dismissing their attempt to hold a marine surveyor liable for $500 million they paid to cover losses from the failure of an offshore oil rig.
The insurers - comprising more than a dozen insurance companies and several Lloyds of London syndicates - told U.S. District Judge Lee H. Rosenthal that new evidence means she should reconsider her July decision to dismiss the claims based on the subrogation waiver in Chevron's policy that bars the insurers from pursuing third parties.
They say there's an exception to that waiver because surveyor American Global Maritime admitted its actions occurred independently of insurance coverage and that its failure to properly inspect the rig caused the incident in the first place.
"The very purpose of independent marine warranty surveyors is to protect the interests of underwriters," the insurers said. "Failure to hold them liable means that policy warranties, and the independent marine warranty surveyors retained to uphold those warranties, become anachronisms."
During the 2015 attempt to install the rig, several "tendons" used to connect it to seafloor pilings fell to the seafloor as a result of flawed connections approved by AGM. The insurers said they had to shell out over $500 million as a result of the defects, with the rig ultimately not ending up back in service until 2018.
Judge Rosenthal dismissed their attempt to hold the surveyor liable, saying that the subrogation waiver makes AGM an assured party under the Chevron contract. Because of that, the insurers would essentially be suing a company that's insured under their contract in an attempt to regain the money from losses they promised to cover, an illogical violation of insurance law.
The underwriters argued that AGM's duty to protect their interests took precedence over any obligations under the Chevron contract and that because it breached those duties, they now have a right to sue for damages despite the subrogation waiver. They say that AGM has breached its duties by preventing them from enforcing a policy warranty clause that would make it ineligible for coverage.
The insurers had also raised product liability and fiduciary duty breach claims against AGM. Judge Rosenthal previously dismissed those claims, ruling the surveyor was not the manufacturer or seller of the purportedly defective rig components and had no contractual or other legal relationship with the underwriters. (Law360, 8/7/2019) Courtesy AIMU Weekly Bulletin

NTSB CITES “LACK OF OPERATIONAL OVERSIGHT” IN MCCAIN COLLISION

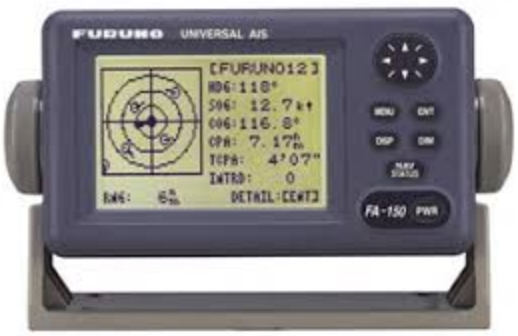


The National Transportation Safety Board says that the Aug. 21, 2017, collision between the USS John S McCain and the tanker Alnic MC was caused by insufficient training, inadequate bridge operating procedures and a lack of operational oversight.
Ten sailors aboard the John S McCain died in the accident and 48 were injured when the ships collided in the Middle Channel passage of the Singapore Strait Traffic Separation Scheme.
There were no injuries to the crew of the Alnic MC. Property damage resulting from the collision exceeded $1.2 million There was no report of pollution associated with the accident.
The collision happened when the McCain, an Arleigh Burke-class destroyer with a crew of 280, home ported in Yokosuka, Japan, and the Alnic MC, a Liberian-flagged chemical tanker carrying a partial load of cargo with a crew of 24, were transiting towards Singapore in the westbound lane of the Singapore Strait Traffic Separation Scheme. The Singapore Strait is one of the busiest waterways in the world, with more than 83,700 vessels of more than 300 gross tons transiting the strait in 2016.
The NTSB determined the probable cause of the collision was a lack of effective operational oversight of the destroyer by the U.S. Navy, which resulted in insufficient training and inadequate bridge operating procedures. Contributing to the accident were the McCain bridge team’s loss of situation awareness and failure to follow loss of steering emergency procedures, including the requirement to inform nearby vessel traffic of their perceived loss of steering. Also contributing to the accident was the operation of the steering system in backup manual mode, which allowed for an unintentional, unilateral transfer of steering control.
As the McCain entered the Singapore Strait, steering and thrust were being controlled by a single watch stander – the helmsman – from the helm station. The commanding officer directed the lee helm station be manned as well and the crew took actions intended to transfer propeller thrust control from the helm to the lee helm station.
The NTSB concluded that during the process of shifting thrust control, a McCain watch stander unintentionally transferred control of steering from the helm to the lee helm station which resulted in a perceived loss of steering by the McCain’s helmsman, however, steering control was available at all times in the accident sequence. The NTSB further concluded the unintentional transfer was possible because the system was being operated in backup manual mode, which removed a safeguard against inadvertent transfer of steering control.
The NTSB also concluded in its report that the inability to maintain course due to a perceived loss of steering, the mismatch of port and starboard throttles producing an unbalanced thrust, and a brief but significant port rudder input from after steering combined to bring the John S McCain into the path of the Alnic MC. The decision to change the configuration of the John S McCain’s critical controls while the destroyer was in close proximity to other vessels increased the risk of an accident, according to the NTSB’s report. (MarineLog, 8/6/2019) Courtesy AIMU Weekly Bulletin

UNITED STATES WANTS SHIPS TO KEEP THEIR AIS ON

The United States wants all ships to keep their tracking transponders on to cut down on illicit activity and smuggling, and to increase transparency with movements of ships around the world, a senior State Department official told Reuters.
Automatic identification systems trackers are the most accessible way of observing where ships are located. The practice of turning off AIS by some vessels from countries such as Iran has become

common to evade closer scrutiny as the United States pushes to cut off Iranian oil exports.



The official, who spoke on condition of anonymity, said in an interview on Friday that the United States had held public and private discussions with countries and shippers about the need for more transparency and compliance with shipping rules, including ensuring that AIS trackers are always turned on.

“There is absolutely no reason, aside from a ship being off the coast of Somalia, where there are piracy issues, for a ship to turn off its AIS,” the official said.

Tensions spiked between Iran and Britain this month when Iranian commandos seized a British-flagged tanker in the Strait of Hormuz, the world’s most important waterway for oil shipments. That came two weeks after British forces captured an Iranian oil tanker near Gibraltar suspected of violating EU sanctions on Syria.

“A lot of the activity where the AIS is being turned off is happening around that area, perhaps north of the Strait where there are strategic ports that ships use,” the official said.

He accused Tehran of trying to evade U.S. sanctions by taking advantage of potential compliance gaps, relying on ships to turn off their AIS to pick up “malign cargo” from Iran and falsifying documents to show the cargo came from countries such as Iraq. “Iran takes advantage of opportunities by using a ship here, a ship there, to turn off the AIS and get this cargo out,” the official added.

The recent seizure by British Royal Marines of Iran’s Grace 1 tanker off Gibraltar loaded with Iranian crude suspected to be bound for Syria highlighted the need for more transparency and controls in the shipping industry, the official said.

Panama, which is among a clutch of countries that register vessels under so-called “flags of convenience” that allow them to sail legally, delisted the ship as part of a crackdown on tankers linked to Iran and Syria.

The official said Panama acted after “a whole lot of information pointed to some very troubling activity that suggested there was a malign cargo heading to Syria via Grace 1.”

Over a decade ago, the U.N.’s shipping agency, the International Maritime Organization, adopted a convention that required vessels to be fitted with AIS transponders to ensure greater safety at sea. Ships need to carry automatic identification systems, which collect information about the type of vessel, its position, course, speed, navigational status and other safety-related information to onshore stations or authorities, other ships and aircraft.

This data can be accessed publicly, and during the height of the Somali piracy crisis in 2009, ships would switch off their transponders to avoid detection by gangs in order to protect their crews from being taken hostage. (Reuters, 7/29/2019) Courtesy AIMU Weekly Bulletin

MERGER OF YARDS IN SOUTH KOREA, CHINA WILL CONTROL GLOBAL SHIPBUILDING

Mega shipyard mergers in South Korea and China are forging a new reality in the industrial sector that underpins the global shipping industry.

South Korea's merger of Hyundai Heavy Industries Co. and Daewoo Shipbuilding & Marine Engineering Co. and the Beijing-engineered marriage of China Shipbuilding Industry Corp. and China State Shipbuilding Corp. will create two behemoths that will control around 46% of the global market among the world's top 10 yards, according to marine data provider VesselsValue.

The combination comes as the global shipbuilding business is just regaining its footing after a decade long downturn in maritime trade, which sent orders plummeting while operators in the container, tanker and dry-bulk sectors cut capacity.

Maritime executives expect the nascent recovery to pick up steam over the next few years, boosted by big trends in energy markets and new regulations. Stricter fuel pollution rules coming into effect next year will draw a new generation of vessels with advanced hull designs and engines to the water.

Shipbuilding is a vital part of the economies in Asian countries such as South Korea and China, employing hundreds of thousands of people. It is one of South Korea's flagship industries, accounting for 7% of the nation's exports and 5% of employment.

Beyond their commanding market share, the two groups have enjoyed steady financial backing from state-owned creditors that have bailed them out repeatedly, or massive orders from state-controlled ship owners that make up shortfalls from other clients.

Both groups are under intense pressure to improve their performance, and they will compete directly for ships such as liquefied natural gas carriers, which command prices twice as high as other vessels and bring heftier profit margins.

This leaves other smaller players both locally and in other countries like Japan struggling to compete, and it's likely to lead to higher ship prices.

Ship owners expect prices of new ships built in Chinese and Korean yards to jump between 5% and 10% after the mergers are completed.

"With tight financing, this kind of price increase will be hard to swallow," said Nikolas Tsakos, CEO of New York-listed Tsakos Energy Navigation Ltd., which operates a fleet of 64 tankers and LNG carriers. "But now there will be fewer ships built and that's the most effective way to cut down overcapacity, and there will also be a clearer picture of what's about to hit the water," he said.

At the moment, the Korean entity looks to have the upper hand.

The Hyundai Heavy/DSME order-book of 326 ships is smaller than that of its Chinese rivals, which have orders for 428 vessels. However, the ships on order in South Korea boast an order value of more than $33 billion, compared with $19 billion for the Chinese shipbuilders.

The Korean yards now controls 54% of all LNG carrier orders, compared with 7% for the CSIC/CSSC group. The Chinese yards are stronger in lower-yielding dry bulk vessels, with a 31% market share of total orders, compared with 15% for their Korean competitors. (The Wall Street Journal, 8/1/2019)

Courtesy AIMU Weekly Bulletin

GOVERNMENT OF CANADA MARKS THE COMING INTO FORCE OF THE WRECKED, ABANDONED OR HAZARDOUS VESSELS ACT

Coastal and waterway communities across Canada are affected by wrecked, abandoned and hazardous vessels. These problem vessels can pose hazards to the environment, public health and safety, and local industries such as fishing and tourism. Most vessel owners are responsible and

maintain and dispose of their vessels properly. However, the small percentage who are not responsible can create significant impacts on our coastal communities, with the burden for costly clean-up often falling on Canadian taxpayers. That is why the Government of Canada, through its Oceans Protection Plan, is taking action to deter irresponsible vessel owner behaviour. The Honourable Marc Garneau, Minister of Transport, and the Honourable Jonathan Wilkinson, Minister of Fisheries, Oceans and the Canadian Coast Guard, are pleased to mark the coming-into-force of the Wrecked, Abandoned or Hazardous Vessels Act.

The Act prohibits vessel abandonment and brings into Canadian law the Nairobi International Convention on the Removal of Wrecks, 2007. It increases owner responsibility and liability for their vessels, addresses irresponsible vessel management, and enables the Government of Canada to proactively intervene to address problem vessels that pose hazards. Not complying with the Act can result in an administrative monetary penalty of up to $50,000 for individuals and up to $250,000 for companies or corporations. Convictions of more serious offences could result in a maximum fine of $1 million for individuals and up to $6 million for companies or corporations.

The $1.5 billion Oceans Protection Plan is the largest investment ever made to protect Canada's coasts and waterways. This national plan is creating a world-leading marine safety system that provides economic opportunities for Canadians today, while protecting our coastlines and clean water for generations to come. This work is being done in close collaboration with Indigenous peoples, local stakeholders and coastal communities. (Transport Canada News Release, 7/30/2019) Courtesy AIMU Weekly Bulletin

NTSB MARINE ACCIDENT BRIEF: PIPELINE BREACH AND SUBSEQUENT FIRE ABOARD CUTTER SUCTION DREDGE JONATHON KING BOYD AND TOWBOAT BAYOU CHEVRON

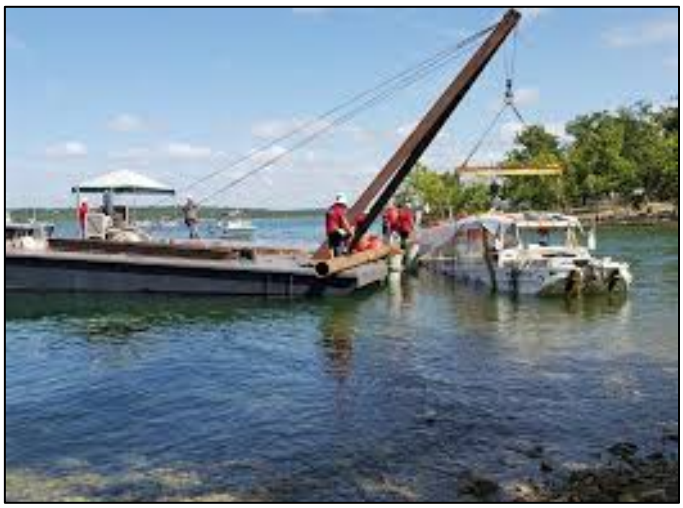
On the evening of April 17, 2018, the cutter suction dredge Jonathon King Boyd punctured a submarine natural gas pipeline with a spud during dredging operations in Matagorda Bay, Texas. A gas plume ignited and engulfed the dredge and its accompanying towboat, the Bayou Chevron. All 10 crewmembers abandoned the vessels uninjured. Damage to the pipeline was estimated at $1.7 million. The Jonathon King Boyd and the Bayou Chevron were constructive total losses, valued at $5.5 million and $125,000 respectively.

Probable Cause: The National Transportation Safety Board determines that the probable cause of the fire aboard the cutter suction dredge Jonathon King Boyd was RLB Contracting's failure to inform the crew about utilities in the area due to ineffective oversight, which led to dropping a spud onto a buried submarine pipeline, causing natural gas to release and ignite. (Maritime Executive 7/30/2019)

NTSB MARINE ACCIDENT BRIEF: BOOM FAILURE ABOARD CRANE BARGE ATLANTIC GIANT II

On August 9, 2018, about 2030 local time, the main boom on the crane barge Atlantic Giant II failed while moving a section of a vessel being dismantled in the Brownsville Ship Channel in Brownsville, Texas. The load and crane boom subsequently fell into the harbor. Two shipyard employees working on the barge were injured, as well as a third on board an assisting tugboat. No pollution was reported. Damage to the barge and crane amounted to an estimated $6.4 million.
Probable Cause: The National Transportation Safety Board determines that the probable cause of the boom failure aboard the crane barge Atlantic Giant II was the decision by South Coast Maritime and Steel Coast to continue with a lift that exceeded the planned weight without conducting additional risk assessments for the continuation of work as the crane neared its maximum capacity. (Maritime Executive, 8/4/2019)

A YEAR AFTER DUCK-BOAT SINKING, SOME CITIES ABANDON TOURIST STAPLE



One year after a duck boat sank in a storm near Branson, Mo., killing 17 people, the amphibious tour boats - once a staple of tourist destinations - have become a thing of summers past in some cities.

A duck boat operator in Pittsburgh closed down since the accident, and a tour company in Cape Cod will cease operations Aug. 22, when its current insurance expires.
Some insurers are getting out of the business, and others are reluctant to take on new clients. “My agent went all over the world” looking for a new carrier after his current carrier said it wouldn’t renew his policy, said Jon Britton, who has run Cape Cod Duckmobiles for 24 years. “Nobody will take amphibious” tour boats.
On July 19 of last year, a 6:30 p.m. tour operated by Ride the Ducks Branson entered Table Rock Lake as heavy thunderstorms approached the area. The water was calm when the boat splashed into the lake, witnesses said, but as it turned toward shore, winds as strong as 73 mph whipped up large waves. A series of waves crashed over the bow and sank the craft, killing 17 of the 31 people on board.
Federal officials have charged the captain, who survived, with several counts of failing to heed weather forecasts, failing to order passengers to put on life preservers or evacuate and failing to open windows that trapped most people inside the fast-sinking vessel.
Two other employees, the general manager and operations supervisor, were also charged last month in connection with the sinking. The indictment said the operations supervisor was busy on shore counting the day’s receipts instead of monitoring the weather as the accident played out.
All three have pleaded not guilty, and a trial is slated for Dec. 2.

Ripley Entertainment, owner of Ride the Ducks Branson, has settled 19 of 33 claims against the company for undisclosed amounts. Ride the Ducks Branson has been closed since the sinking, and a Ripley spokeswoman said it hasn't decided whether it will operate the tours again.
John Miklus, president of the American Institute of Marine Underwriters, said duck boats "are a unique exposure" because they operate on both land and sea "and not everyone wants to underwrite that kind of risk."
He said even before the Branson sinking, insurers had been concerned about several other fatalities both on land and sea connected with the duck boats.
Mr. Britton in Cape Cod said he was selling off his vessels to a Canadian operator. He will continue offering fishing tours for children on a new boat, rather than the duck boat he has been using. He said he had never had an accident on his duck boat or even filed a claim—except for hitting the mirror of a car when the vehicle was on land. "It's just unfortunate," he said of the Missouri sinking. "They made a foolish mistake and did things that you just don't do."
Still, Jon Reinert, manager of Chattanooga Ducks, said his business is doing fine and that the company's insurance costs have gone up only a little. "You hear some questions about it," he said of the accident in Branson. "The vehicle itself is unbelievably safe." (The Wall Street Journal, 7/19/2019) Courtesy AIMU Weekly Bulletin

WATERCRAFT ACCIDENTS

In 2017 there were 12 million registered recreational watercraft in the U.S. A recreational boating accident must be reported to the U.S. Coast Guard if a person dies or is injured and requires medical treatment beyond first aid; if damage to the boat or other property exceeds $2,000; if the boat is lost or if a person disappears from the boat. Out of the 4,291 accidents reported in 2017, 723 occurred in Florida. Other states with a high number of accidents were California (350), Texas (170) New York (167), and South Carolina (151).
Fatalities fell by 6.1 percent to 658 in 2017 from 701 in 2016. The rate per 100,000 registered watercraft was 5.5, down from 5.9 in 2016. The number of accidents fell to 4,291 in 2017 from 4,463 in 2017, down 3.9 percent. The number of injuries fell to 2,629 in 2017 from 2,903 in 2016, or 9.4 percent. Property damage totaled $46 million in 2017, down from $49 million in 2016.
The U.S. Coast Guard says that alcohol, combined with typical conditions such as motion, vibration, engine noise, sun, wind and spray can impair a person's abilities much faster than alcohol consumption on land. Operators with a blood alcohol concentration (BAC) above 0.10 percent are estimated to be more than 10 times more likely to be killed in an accident than watercraft operators with zero BAC. Alcohol was a contributing factor in 323 recreational watercraft accidents in 2017 (7.5 percent of all accidents), accounting for 118 deaths (17.9 percent of all deaths) and 255 injuries (9.7 percent of all injuries). Other primary contributing factors were operator inexperience, resulting in 63 deaths; and operator inattention accounting for 45 deaths. (I.I.I. Facts & Statistics 2019) Courtesy AIMU Weekly Bulletin

MAERSK HONAM RECHRISTENED AND READY TO SAIL

Seventeen months after a fire ripped through it, Maersk is set to send the 15,282 teu box ship Maersk Honam back on active duty.
According to Alphaliner, the ship, which caught fire on March 6 last year leading to the loss of five seafarer lives, has been renamed Maersk Halifax.
The damaged ship's bow was cut off at a yard in Dubai and the remainder of the ship was then moved by a semi-submersible ship to Ulsan in South Korea, where Hyundai Heavy Industries has since been fixing it. The redux vessel now features a reshaped, less flared bow and a SOx scrubber.

Alphaliner reports the Maersk Halifax is scheduled to join the Asia – Mediterranean service with MSC on August 5. (Splash 247.com) Courtesy AIMU Weekly Bulletin

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