Preparation is key defence against storm force winds

As we approach the season of destructive weather Mike Compton looks at the latest preventative measures to avoid major damage

It is a feature of the patterns that drive the world’s weather that virtually at any time of the year, there is a high possibility of storm force winds for at least one area of the world. So it is that by the time this column is being read, a substantial part of the globe is heading for that time of the year when such winds can be expected.

They may be given different titles, such as cyclones, typhoons or hurricanes, and be personalised by being given differing individual names, but the effects are the same and they can be devastating.

In 2006, the TT Club published a very helpful document on this subject called WindStorm. A revised and greatly expanded second edition has just been issued, this time as a joint publication with ICHCA International*.

Since 2006 there have been many more severe high winds that have impacted spectacularly on ports and port facilities and the new edition includes a variety of such experiences over a range of time. These stories, which came from many regions of the world and had a variety of outcomes, include preparation, storm effects and the aftermath.

The Beaufort Scale, the generally accepted method of measuring the size of a wind and also its effects, starts at 0 for “calm” and goes up to 12 for “violent storm” and 12 for “hurricane”.

It also extends to 17 to show the various degrees of strength of hurricanes and the Saffir-Simpson Scale numbers these extra five categories as 1-5 to show the extent and strength of such tropical cyclones. If a
hurricane is said to be category 1, therefore, which is the lowest, that is still equivalent to Beaufort Scale 13 and will be a significant event. However, a storm with a category of 5 can cause complete roof failures, for example. As such storms bring with them a considerable storm surge of the ocean surface, it can also cause flooding to a considerable degree.

With their proximity to the sea, ports and terminals are especially vulnerable. Whether they are side-swiped by a storm passing up the coast, hit by the outer edges of a storm as it comes ashore or hit full on by such a landfall, considerable damage to port and terminal facilities can result and the potential for injury is always present.

The second edition of WindStorm is, therefore, particularly helpful as it is packed with information regarding preventative actions ports and terminals can take to mitigate against the worst effects that might be felt as well as how to recover afterwards.

As an example of what a storm can do, the eye of hurricane Hugo as it travelled across the port of Charleston in 1989 not only removed all the navigational aids within the harbour area but also moved the ship channel. As a consequence, the channel had to be resurveyed and marked before shipping could enter the port again.

The most vulnerable part of a terminal has to be its cranes and other lifting appliances as their wind profile is greater. A number of incidents are quoted and a substantial new element of this second edition is the extensive advice given on tie-down arrangements.

In this regard, it is noticeable that the matching of a crane and its built-in tie-down provisions to the terminal's own anchoring arrangements is sometimes found to be the weak link and which, as a result, fails under
the stress of a severe storm.

One of the most important elements in considering the possible onset of such storms is to formulate an emergency plan and there is much detail on what this should include. A crucial element is to be linked to a reliable weather forecasting service, especially one that can give information and advice on a local basis.

*Hugo* was anticipated and the new edition of *WindStorm* lists the precautions that were taken prior to the storm hitting, the clean up undertaken afterwards and the lessons that were learnt. If there is enough warning, many steps – some of them quite simple actions – can be taken which will at the very least minimise the effects.

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Many experiences, each with a lesson to be learnt, are quoted. One collision between two specialised cranes had the ultimate effect of causing a very efficient shipping company to go out of business. The immediate incident was occasioned by one crane not being secured before a high wind appeared. They were the only two cranes and, through a set of circumstances that could only be described as highly unusual, the failure to take a simple precaution caused the collapse of the business.

Fortunately, most are not as severe but it is very clear that the effects can still be devastating and this new booklet will be of great interest to all those terminals that may be affected. cs

*WindStorm, edition 2 is available for GBP £36 from the TT Club at www.ttclub.com under publications or at www.ichea.com.*
Alina Wenzel wird Weltsiegerin

Fiata-Kongress eröffnet / Gottlieb mahnt Kapazitätsmanagement an


Der Erfolg ist umso bemerkenswerter, weil Wenzel erst vor sechs Jahren aus Rumänien nach Deutschland kam.

Gefeiert wurde der Sieg von Fiata-Präsident William Gottlieb und Chef der Weltkugelverwaltungsorganisation, Heiner Rogge.


Während der Eröffnungsveranstaltung des Kongresses händigte Gottlieb der Weltkugelverwaltungsorganisation William die Preisgelder für den Preiskonkurrenten, die Kapazitäten zu reduzieren, für die Preise der Weltwirtschaft hingewiesen: "Wir müssen wissen, die Kapazitäten zu reduzieren, um den Preisverfall zu stoppen. Aber die Marktverhältnisse erfordern, dass wir die Kapazitäten auf den Preisverfall reduzieren, um die Preise der Weltwirtschaft hingewiesen.


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Gefei...
Wind storm risk guide

The TT Club’s latest publication, a revised edition of its comprehensive risk mitigation guide for windstorms, offers marine and inland terminal operators information and advice on how to minimize storm damage to their installations and customers’ cargoes. This second edition has been developed and published jointly with ICHCA International. Introducing the new edition, TT Club Deputy Chairman and CEO of Virginia International Terminals, Joe Dorto, said “By virtue of their location, ports and terminals are particularly vulnerable, with all kinds of harbor installations at risk from the enormous forces of nature unleashed in a storm”.

This year has already seen several serious storms in the Pacific and Western Australia, and areas including Idaho and the coast of Mexico have been battered by wind storms and hurricanes, causing substantial damage. The TT Club guide, entitled ‘Windstorm II’ provides terminal operators with detailed advice on how to protect their infrastructure from windstorm damage, as well as how to recover afterwards.

“With storm damage accounting for some of the biggest loses in the industry, the Club is committed to assisting operators in managing risk and to help prevent loss; the responsibility of a mutual insurer such as TT extends to more than just picking up the bill”, commented TT Club’s Risk Management Director, Peregrine Storrs-Fox. “In this guide, we have brought together the shared knowledge and experience of operators and experts in managing storm damage, and have particularly valued the collaboration with the International Safety Panel of ICHCA International. We believe that the result provides a practical loss-prevention plan which benefits the marine and inland terminal industry and demonstrates both the ethos and the advantages of being a mutual insurer.”

In its first section, the guide identifies different types of storms around the globe, and looks at the specific risks they post to marine and inland terminals. It goes on to examine modern methods of forecasting, and indicates where to obtain local information warning of impending storms. This has proved to be of significance, since access to information relevant to operations is not always available.

Key advice in this guide, which is part of the Club’s ‘Stop Loss’ series relates to the generally applicable practice of creating and implementing an emergency plan, aligned here to storm risks. In this section, there is also recognition of the interface and interaction with others in the neighbouring area, including law enforcement and emergency services.

The central sections deal with action to be taken immediately before a storm strikes and how to minimize damage during a storm. It also looks at specific items of terminal equipment, and the risks storms pose to them, and offers practical advice on steps that can be taken to best secure them against storm damage.

The guide is supplemented by extensive annexes, including details information on the different wind scales in use around the world, information sources and a storm miscellany. Finally, there are practical checklists for routine operations, recovery after a storm event and emergency planning.
Q: I recently read that DHL paid a $9.4-million fine to settle a claim by the United States for violations of sanctions against shipments to Iran. Can you discuss what happened and how I can avoid a case like this?

A: The case you refer to was an action taken by the U.S. Treasury Department regarding 309 shipments DHL, part of German global transport company Deutsche Post DHL, made from the United States to Iran and Sudan between 2002 and 2007. The government alleged that the shipments had been made in violation of U.S. embargoes.

The allegations also charged DHL with failure to maintain certain required records on approximately 9,000 shipments it made to Iran during the same period. Most of the shipments involved correspondence, personal items, and consumer goods, and it was not alleged that any of the shipments contained goods that compromised U.S. security.

DHL neither admitted nor denied the charges, but reportedly cooperated fully in the investigation, entering into the settlement agreement to resolve the matter amicably. The case is significant because it allegedly represents one of the largest penalties ever levied on a logistics operator for violations of U.S. embargoes against shipments to certain countries.

The case demonstrates the importance of logistics operators keeping abreast of federal regulations affecting the transport of goods from the United States to certain foreign countries. In addition to risking a government inquiry, the operator may have to address the inquiry without the aid of any insurance cover.

Although some insurers do provide coverage for fines and duties arising from the breach of import and export regulations, they will likely refuse to cover risks arising from illegal trade or from a breach of regulations about which the operator should reasonably have known. In a case such as DHL’s, an insurer might argue that an operator could reasonably have known about the sanctions.

Regardless of the circumstances of this case, it serves as a reminder for the need to maintain good internal housekeeping procedures, including the following:

- Keep apprised of government regulations by meeting regularly with your legal department or outside regulatory counsel. Many companies have established internal compliance departments or have appointed compliance officers to monitor government regulations.

- Know your customer. If a customer ships goods of a particular nature, or transacts business in regions that may be subject to heightened scrutiny, it benefits you to understand this and to address those particular requirements.

- Establish an internal system to flag shipments that can potentially run afoul of regulatory prohibitions. Be alert for specific commodities that require additional documentary support, or for transactions to countries that are the potential targets of governmental action. Always ensure that you keep appropriate records for these shipments.

In this time of heightened security, it can prove costly, even burdensome, for a multinational company to remain cognizant of every law or regulation that can impact its operations. What is legal in one country may not be in another. But if we don’t take reasonable steps to meet this challenge, we may find ourselves paying a far greater price.

Have a liability question or concern? I will try to help. Please send your questions to me via e-mail at: dan.negron@thomasmiller.com
New liability rules alarm shippers

The European Shippers’ Council is becoming highly exercised over a proposed new set of conditions of carriage for multimodal containerised freight, known as the Rotterdam Rules. ESC has been carrying out a detailed study of the implications of the new rules, and it does not like quite a lot of what it sees.

By Chris Lewis

Multimodal transport is a difficult area to legislate for. One of the first attempts at an international legal convention was in 1924, when the “Hague Rules” were drawn up, named after the city in which they were signed.

In 1963, the Comité Maritime International (CMI) drew up a protocol amending the Hague Rules, signed in 1963 at Visby in Sweden — creating the “Hague-Visby Rules”. However, says the TT Club (a multimodal transport insurance specialist), these did not attract the necessary number of ratifications by UN member states until 1977.

In the 1960s and 1970s, some developing countries became increasingly dissatisfied with the existing conventions, which it was felt favoured the large carriers from the industrialised nations, leading to the signing of the so-called “Hamburg Rules” in 1978, which were seen by many as favouring cargo interests. These rules came into force in 1992, but few major trading nations have ratified them.

The UN has made several attempts to produce internationally accepted conventions but at the moment most trade is currently governed by Hague, Hague-Visby or domestic laws, says the TT Club.

Now, though, international legislators are now proposing to replace — or at least supplement — with the United Nations Commission on International Trade Law (UNCITRAL) “Draft Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea” — or the “Rotterdam Rules” as they are more generally known.

However, ESC, which represents manufacturers or importers that are the ultimate customers of the international freight industry, is particularly alarmed by the provisions in the new rules that would allow liner shipping companies to offer an opt-out from almost all of the rules for so-called “volume contracts” — which can be just three or four containers a year. It is concerned that many shippers may be lured into such an opt-out by, for example, shipping lines offering lower rates. But before they enter into such contracts, companies should understand and weigh up the potential risks and consequences, it says. For example, under the Rotterdam rules for a volume contract a shipping line would be absolved of its responsibility for ensuring that the goods are delivered safely door to door.

The new rules would also allow shipping lines to limit their responsibility to exclude loading, handling, stowing and unloading and unwritten customers may be tempted into accepting such terms, but this could be false economy.

And while some safeguards are promised to alert the shipper to the fact that the Rules will no longer apply if “negotiated” away, it is unclear what these will be in practice or how effective they may be.

ESC adds that the Rotterdam rules could put some shippers in a worse position than before introduction of the original Hague Rules in 1924. It also warns of conflict with other conventions, it could make proving fault harder for companies and make it harder to make a claim for damages. For example, the Rotterdam rules could conflict with other international conventions such as CMR and CM which, although covering road and rail respectively, may also cover certain maritime transits.

The Rotterdam Rules are likely to enter into force within months, says ESC, and it is currently minded to oppose them, adding that it is still not too late to prevent the convention from attracting the 20 signatories needed to be implemented. “With sufficient member states, including the European Commission, understanding the implications and risks for business, we may yet be able to find international solutions that protect companies’ legal rights and protection from losses that could otherwise bring them to the brink of financial ruin,” it says.

However, the TT Club points out that reports that the “Rotterdam Rules” are poised to come into effect are premature. While the UN General Assembly has adopted the Convention, and there is to be a signing ceremony in Rotterdam in September 2009, the new rules will only come into effect one year after 20 countries have ratified it and this would be 1 October 2010 at the very earliest — but possibly much later.

ESC is instead proposing the parallel development of a European multimodal convention, aligned with other land based conventions, which would foster greater use of intermodal logistics within Europe. It is meanwhile urging EU member states not to sign up to the Rotterdam Rules until or unless adequate protection has been given to shippers. The Hague Visby and Hamburg Rules should meanwhile continue to apply to the international movement of containers by sea.

In the next issue we will examine the arguments of the “pro-Rotterdam” lobby, the North American shippers’ representatives.
Young Talent Recognised By FIATA Young International Freight Forwarder of Year Award

TT Club Sponsors Award for 11th Year Running

The eleventh Young International Freight Forwarder of the Year Award, held on 24 September at the annual FIATA Conference in Geneva has been won by 27-year-old Alina Wenzel, a shipping and forwarding agent with Schenker Deutschland AG, based in Regensburg, Germany.

Regional winners were South African, Natasha Persad for Africa / Middle East; Mexican, Ernesto Arevalo Schoedl for the Americas; and Singaporean, Wee Liang Gerard Er for Asia / Pacific.

The award, which has been sponsored by TT Club since its inception, is recognition by FIATA and the participating sponsors of the need to develop quality in the industry and to reward young talent with valuable training opportunities.

Speaking at the award ceremony, TT Club’s General Manager (Asia Pacific) Andrew Kemp, said, “The TT Club are proud to have been able to continue their sponsorship of this prestigious award, and it is with pleasure that we are able to celebrate the four regional winners and the eleventh overall Young International Freight Forwarder of the Year”.

The award offers the winners a chance to undertake practical and academic training, including a week based at one of the TT Club’s regional centres in London, Hong Kong or New Jersey; to attend the ‘Insight into Transport Law and Insurance’ course in London; and a week-long course at an IATA training centre.

In his address, Andrew Kemp outlined plans to make the award more attractive to a larger number of National Associations and candidates. “We would very much like to make the award a challenge that enables individual candidates to call on their own day-to-day work experience, whether they work for a small customs agent or a multi-national, multi-functional operator.”
FIATA award recognizes young talent

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Top talent

The eleventh Young International Freight Forwarder of the Year Award, held in Geneva, has been won by 27-year-old Alina Wenzel, a shipping and forwarding agent with Schenker Deutschland, based in Regensburg, Germany.

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Sponsored by TT Club, the award recognizes the need to develop quality and to reward young talent with valuable training opportunities.

The award winners will be given work experience at one of the TT Club’s regional centres in London, Hong Kong or New Jersey, the chance to attend the Insight info Transport Law and Insurance course in London, and a week long course at an International Air Transport Association training centre.
Winner
Port Operator of the Year

Sponsored by TT CLUB

Chief commercial officer Dick Mitchell (C) receives the award from TT Club CEO Charles Fenton (L) and broadcaster Alastair Campbell (R)

APM Terminals

APM Terminals, which ranks first in global terminal capacity and third in annual throughput, took this year’s award for Port Operator of the Year.

Last year, the company invested three quarters of a billion dollars and has 26 terminal projects underway including new construction and expansion, of which one is the recently opened Bahrain Gateway at Khalifa bin Salman Port.

APM Terminals has led the way in increasing services and developing new and modern container facilities at historically under-served emerging economies in Africa, Latin America, and southeast Asia. Projects have been recently announced in the Congo, India and Brazil.

Investment in innovation is ongoing, with the prototype of a revolutionary Series Hydraulic Hybrid Yard Hostler introduced at the 2009 SAE World Congress in Detroit, Michigan. APM Terminals joined efforts with the US Environmental Protection Agency (EPA) and several other industry partners to integrate advanced hybrid powertrain technology into a port service vehicle.

Corporate Social Responsibility is a core part of APM Terminals’ philosophy and business practice. This year employees from the Maasvlakte 2 project in Rotterdam collected and shipped 1,200 pieces of classroom furniture to a school in Luanda, Angola, as part of APM Terminals Citizenship Programme Health and Education in Africa.
APM Terminals Wins Port Operator of the Year

บริษัท APM Terminals ได้รับรางวัลผู้ประกาศเกียรติยศ ‘Port Operator of the Year’ จากการจัดแสดงต้นทุนของนิติบุรุษ Lloyd’s List

Mr Dick Mitchell ประธานเจ้าหน้าที่ปฏิบัติการ ซึ่งเป็นที่สุดเช่นนี้เรียกว่า กล่าววา “การได้รับรางวัลนี้เป็นความภูมิใจอย่างยิ่งของเราทุกคนที่ได้เป็นส่วนหนึ่งของบริษัท APM Terminals แม้ในปัจจุบันสภาพเศรษฐกิจโลกจะเปลี่ยนแปลงที่รวดเร็ว และสภาวะทั่วโลกต่ออุตสาหกรรมเรืออย่างหนัก แต่เราก็ยังสามารถให้บริการที่มีประสิทธิภาพสูงให้แก่ลูกค้าได้ ซึ่งนับเป็นสิ่งที่สุดชักให้เห็นถึงการทุ่มเทที่มีมุ่งมั่นและการเลือกนักงานทุกคนในองค์กร

ผู้บริหารระดับสูงของกลุ่มฯ ได้รับรางวัลนี้ ในพื้นที่ที่จัดขึ้นในกรุง London

1. (จากซ้าย) Mr Charles Fenton ประธาน TT Club, Mr Dick Mitchell ประธานบริษัท APM Terminals ซึ่งรับรางวัล ‘Port Operator of the Year’ และ Mr Alastair Campbell ผู้ดำเนินรายการ Lloyd’s List Global Awards 2. หนึ่งในท่าเทียบเรือของบริษัท APM Terminals

ประเทศอังกฤษ ทำลายกลุ่มลูกค้า สถาบันการเงิน และผู้มีสิทธิ์ในอุตสาหกรรมที่มีราย

นิติบุรุษ Lloyd’s List ได้ตัดสินให้บริษัท APM Terminals รับรางวัลในครั้งนี้ โดยมีผลจากการทำงานของรายบริการที่ตอบรับของบริษัทที่มีอยู่ในต่อเนื่อง โดยเฉพาะอย่างยิ่งในช่วงเวลาที่เศรษฐกิจตกต่ำ ส่วนผู้ที่เข้าเสนอชื่อเรือวัสดุในสารสนเทศก็ได้แก่บริษัท International Container Terminal Service ผู้ประกอบการท่าเทียบรึงจากประเทศฟิลิปปินส์ การทำเรือ Valencia และ บริษัท VISET Malta ทั้งนี้ บริษัท APM Terminals ได้รับรางวัลนี้เป็นครั้งที่สองแล้ว นอกจากนี้ สายการเดินเรือ Maersk Line ยังได้รับรางวัล “Safety at Sea” และนิติบุรุษ Lloyd’s List ยังได้มอบรางวัล “Captain of the Year” ให้กับ Captain Richard Philips จากการแสดงความกล้าทางอุตสาหกรรมเรือ Maersk Alabama หลังถูกโจมตี สวัสดีอย่างจังเป็นบัตรประจำตัว www.apmtterminals.com
Full Circle partners split but insurer remains open for business

The partners in insurance start-up Full Circle Marine & Transport had previously set up the venture to have failed out, with several key players leaving the venture. However, the business is continuing, with a non-marine insurance operation, liability insurance for businesses, and general liability insurance for the British insurance market. No names have been disclosed but it is understood that the partners are holding on to their involvement. Sam Ignarski, a former employee of Lloyd's, has set up the company with a view to launching an insurance company.
Deutsche erhält internationale Auszeichnung

Die 27-jährige Alina Wenzel von der Schenker Deutschland AG, Regensburg, ist als Siegerin aus dem diesjährigen Fiata-Wettbewerb „Young International Freight Forwarder of the Year Award“ hervorgegangen.


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