

1. A NOTE FROM THE EDITOR

Welcome to TT Talk, the new monthly electronic newsletter from the TT Club! Our first publication is a trial issue only and thus we would be grateful if you could let us know by return whether you would be interested in receiving future issues.

Our e-mail address is: news.ttclub@thomasmiller.com

Conscious of the ever-increasing number of publications that we all receive in our mail boxes, it is our intention to keep TT Talk "short and sweet" - so please let us know what you think!

Christine Williams

2. BOLERO UPDATE

Bolero Operations Ltd has now reached the Launch Programme and Commercial Launch stages. On 1 December, participants in the Launch Programme will commence testing on a fully functional "Beta" service. This service will take into account modifications and enhancements arising from the prototype review process that commenced in September 1998. The "Beta" service will provide Launch Programme participants with an opportunity to run parallel electronic and paper processes.

Participation in the Launch Programme has been strictly limited to twelve industry transaction chains and two trading clusters in the oil sector. Each trading chain is led by a "Driver" company which makes the key business decisions, these include deciding who will participate in the chain. The key objectives of the Launch Programme are to provide all participants with an opportunity to do the following:

- test messaging and title registry functionality
- assess operational requirements
- gain practical insights with respect to the Rule Book
- quantify the benefits of Bolero

The Bolero mission is to fill the key gaps that currently exist in the market, to create a common platform for electronic trade documentation. Bolero's Paul Mallon says that already Bolero has received considerable cross industry support: "Bolero is meeting its objectives to dematerialise documentation using a neutral cross industry platform." The future is looking very exciting.

Bolero's website address is: www.boleroltd.com

Contributor: David Martin-Clark - London

3. LANDMARK DECISION FROM HONG COURT OF FINAL APPEAL

In the case of Bewise Motors Co. Limited v Hoi Kong Container Services Limited (1998) the court of Final Appeal in Hong Kong held that the defendant, Hoi Kong Container Services Limited, could rely on their standard trading conditions limiting their liability against a claim in tort from cargo interests, Bewise Motors.

This case is important to terminal Members, especially those in the English common law countries like Hong Kong, England, Singapore, Malaysia, Australia, New Zealand and Canada.

A fuller account of this case will be featured in the next edition of Door to Door.

Contributors: Richard Chan/Simon Chan, TT Club - Asia-Pacific

4. TT CLUB ESCAPES EFFECTS OF HURRICANES

Serious hurricanes inflict severe losses in the Caribbean and Central America.

The Caribbean season lived up to its name, in 1998, when the region experienced two significant storms. Firstly, hurricane Georges which left Puerto Rico and the Dominican Republic with millions of dollars in property damage, before striking the lower Florida Keys. Secondly, hurricane Mitch, blew northward from southern Caribbean. Mitch qualified itself as a category 5 hurricane, the most significant category in intensity.

The effects of hurricane Georges were felt most in Puerto Rico and the Dominican Republic where it caused power outages, washed out roads and claimed several hundred lives.

In Key West, the tiny island's tourism industry was effectively brought to a standstill, as authorities blocked all access to the island in order to allow an orderly restoration of power and the clean-up of property damage.

Hurricane Mitch exacted a much greater toll when it struck the coast of Central America. It made landfall in Honduras and Nicaragua, two of the Central American countries least able to withstand a storm of such severity. It caused billions of dollars in property damages and has claimed estimates of up to 20,000 lives.

The intensive rains generated by Mitch caused massive mudslides in Honduras, which covered entire villages, including their contents and inhabitants. Rescue and relief efforts were severely hampered because some of the most important roads in the country were rendered impassable by flooding.

With regards to the TT Club, it seems that Club Members have fared well. However there have been several reports of non-Members suffering crane and other handling equipment losses together with damage to container stacks.

Contributor: Dan Negron-Americas

5. SITUATION IN NIGERIA

The situation in Warri has not been stable in recent years. The police and army seem to have abdicated responsibility for civil order to the tribal Chiefs in the region who hold power in the fashion of local warlords.

The recent tragedy of the deaths of about 300 people trying to take petrol from a breach in a pipeline, which then exploded in a ball of flame, was widely reported. The Club's correspondents in Nigeria, Pandiship, advised that the situation in Warri Port and Escravos River areas had become serious with armed pirates patrolling the river, boarding vessels and demanding money. Escravos Bar was blocked to prevent vessels entering or leaving the river.

Pandiship advised that in its opinion it was unsafe for vessels to move on the river even with armed escorts. One vessel destined for Warri had to be diverted to Port Harcourt. There were riots in the port area of Warri and all loading and discharging was stopped. One vessel entered with the UK Club was apparently attacked twice, the second time by armed men.

The Port of Warri is presently quiet with all workers having been sent away by armed tribal factions who are roving the area. Pandiship advises that both Shell and Chevron are evacuating workers from their oil rigs operating in troubled areas, but that other operations are continuing. All movements to and from offshore are being performed by helicopter, as service craft are not using the river.

Now that the army has moved into Warri and a curfew has been imposed, the situation has quietened down considerably and things there are getting back to normal.

Contributor: Jeremy Barrett- London

6. YOUNG FREIGHT FORWARDER OF THE YEAR

The Young Freight Forwarder of the Year Award was launched at this year's FIATA World Congress in Sydney. Sponsored by the TT Club and FIATA, this is an exciting new initiative with the objective of encouraging professional training in the freight forwarding industry. It is hoped that the Award will be developed into one of the most prestigious training programmes in the transport industry.

The contest is open to young freight forwarders of FIATA Ordinary Members (National Associations). Each of the National Associations is entitled to select one candidate to represent it in the competition.

The candidate, who must be 25 or under, is required to write a dissertation on a predetermined topic. This gives the candidate an opportunity to demonstrate a range of skills and qualities needed to pursue a successful career in forwarding.

The winner of the award will benefit from gaining valuable exposure and insight into the operations of other companies in the transport field by working in one of the TT Club's regional centres. This includes a cost-inclusive multi-modal practical experience programme with two weeks "hands-on experience" and one week legal and insurance training. They will also be invited to attend the FIATA World Congress in Dubai to receive a trophy and a Diploma.

Please encourage your eligible staff to enter. Not only is it a wonderful prize and a fantastic opportunity, the winner will have the prestige of being recognised as The Young Transport Achiever of the Year.

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7. TIME FOR A RE-THINK?

Between 1969 and 1970, the international tanker industry was rocked when several new large tankers suffered massive tank explosions, some resulting in the sinking of the vessels concerned. These incidents prompted a major re-think into the design and operation of such ships and the problem was first identified and then solved by the introduction of inert gas systems.

In October 1998, at least four of the world's largest container vessels - APL China, Alligator Strength, APL President Adams and Ever Union - suffered deck stow collapses during heavy weather in the Pacific. Initial estimates put the cargo damage on APL China at US\$100 million (Lloyd's List 16 November 1998). Some of the ships suffered structural damage and all incurred delays of several days.

These recent incidents have highlighted a problem which has been around for as long as cargoes have been carried on deck but they are particularly important in that they occurred on very large vessels which themselves do not appear to have been at risk from the weather conditions. Indeed, the TT Club is aware of similar incidents involving very large container vessels in only "moderate" sea conditions.

Is it perhaps time to reconsider the on-deck stowage of containers on board such large vessels especially since, according to Germanischer Lloyd, ships three times the size of APL China are now being planned!

Classification society recommendations warn about stacking loaded containers more than three high on deck yet container ships are routinely loaded five high with laden boxes and six high is increasingly common. Seven high is a less common sight but the largest ships - and those on the drawing boards - may well be designed for seven-high stacking (and higher!). If such deck loads are to become the norm, has the time come to ask whether current container lashing systems - and even current designs for containers - are adequate?

Securing systems are clearly failing. Lashing bars need to be tightened regularly at sea. Are they? One should not underestimate the task of checking and tightening such equipment in "moderate" weather, let alone heavy weather. The modern post-Panamax ship has a capacity of 5000-7000TEU, is over 300m long, carries containers five or six high on deck and has a crew of 14 or 15 souls. While some weather protection might be afforded by adjacent stacks of containers, what about the lashing bars in more exposed positions such as those at the bow or stern?

But the failure of lashing systems is not the sole cause of container stack collapses and it would be dangerous to pretend otherwise.

Many stack collapses are caused by the structural failure of one or more containers in the stack. Failures appear to happen not because the containers are defective but rather they are subjected to excessive forces through overloading of the stacks, lashing deficiencies or, in some instances, damage from cargo which has broken loose inside. Should container designs be modified to reflect the fact that deck stows are becoming larger and heavier?

Since lives are not at risk, at least not fare paying passengers' lives, the shipping industry is unlikely to commit large resources to individual investigations. However, it does seem probable that we are now seeing containerships regularly overloaded in terms of what modern container construction and lashing design can accommodate.

Are the big ships exacerbating this problem? Are these losses acceptable?

TT Talk would welcome your views.

Contributor: David Cheslin, Dunelm Ltd – London

The views expressed in this article are not necessarily the views held by the TT Club