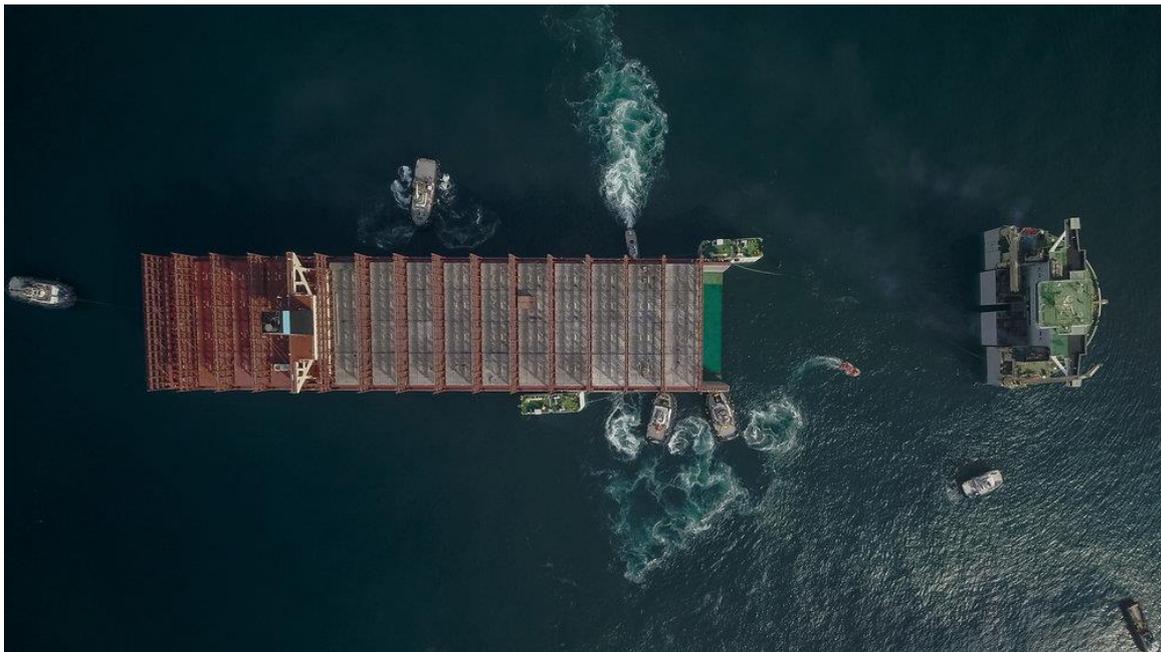


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Competition rules can hamper container ship safety

March 11, 2019 Nick Savvides



THE UNDAMAGED SECTION OF THE MAERSK HONAM WAS SEPERATED FROM THE FIRE DAMAGED PART AND TRANSPORTED BY SEMI-SUBMERSIBLE SHIP TO A REPAIR YARD. FIVE CREW DIED IN THE VESSEL FIRE LAST YEAR. CREDIT MAERSK LINE. THIS SHARING

Competition rules forbid container lines from discussing their customers with other lines, which makes sense when promoting fair competition, but those same rules could mean that lines cannot confer on hazardous cargoes, which could lead to ship fires and the loss of lives.

At-sea disasters on the Yantian Express and APL Vancouver in January, and last year on the Maersk Honam, have seen cargo fires that can burn with such intensity that firefighters struggle for weeks to extinguish the flames. Crews are ill-equipped or trained to deal with some of the fires and the often-toxic fumes they generate.

Vessel fire-fighting equipment can often be inadequate in the event of fires caused by cargo such as calcium hypochlorite. This chemical is an oxidizing agent and is designated as Class 5.1 in the International Maritime Dangerous Goods Code (IMDG

Code). Calcium hypochlorite is unstable and when it releases heat (through its natural decomposition process) it can accelerate the temperature increase if that heat has no means of escape. In this way calcium hypochlorite creates a self-feeding fire.

According to Peregrine Storrs-Fox, Risk Management Director at the TT Club, many of these cargo fires are due to misdeclared or undeclared cargo. Some shippers can be unaware of the possible dangers of particular cargoes (such as charcoal) and can inappropriately declare their cargo, which during the course of the voyage can ignite. Others seek to reduce shipping costs by not declaring hazardous cargo, leading to a shipping line stowing the container inappropriately.

FreightWaves has learned that the fires on board the Hapag Lloyd ship Yantian Express and the APL Vancouver were from areas on board the vessels where there was no declared hazardous cargo, though it is unclear what was declared in the cargo that caught fire.

Hapag Lloyd declined an invitation to discuss the fire on board its vessel. Even though it is not yet clear what caused the fires on the Yantian Express and APL Vancouver this year, whether it was calcium hypochlorite or some other substance, it is matter of good fortune that year's two cargo fires have, thankfully, not resulted in crew losses.

Sadly, this was not the case last year when the Maersk Honam experienced a cargo fire that saw the loss of five of the vessel's crew.

Container shipping lines will normally stow hazardous containers away from the accommodation block and on deck so that the crew can deal with any fire and, hopefully, prevent it from spreading. If the cargo is stowed below deck it is more difficult to prevent a fire from spreading, it is more hazardous for the crew in a confined space and, with some cargoes such as calcium hypochlorite, it can self-feed with oxygen and heat released from chemical reactions within the cargo.

Since last year's fire on the Maersk Honam, the Danish liner operator has made significant changes to its cargo safety rules. Initially the company evaluated more than 3,000 hazardous materials and from this analysis it developed its Risk Based Dangerous Goods Stowage strategy.

The strategy means that any cargo listed in the IMDG Code will not be stowed next to the accommodation block and engine room, which are defined as the zones "with the lowest risk tolerance."

In addition, the risk tolerance below deck in the central part of the vessel will also be considered high risk areas, and hazardous cargoes will not be placed in these areas.

However, on-deck fore and aft will be the main areas for stowing high risk freight. "Utilizing statistics on container fires in the Cargo Incident Notification System (CINS), Maersk defined which UN numbers can be stored in each risk zone."

"All cargo aboard Maersk Honam was accepted as per the requirements of the International Maritime Dangerous Goods Code and stowed onboard the vessel accordingly. Despite this, as the fire originated in a cargo hold in front of the accommodation which held several containers with dangerous goods, it had an

unbearably tragic outcome,” says Ole Graa Jakobsen, Head of Fleet Technology at Maersk.

Maersk’s initiative is an important move, but it does not address the major problem of misdeclared or undeclared hazardous goods. The Honam cargo fire was from a container that was stowed in front of the accommodation block in an area where hazardous cargo would not normally be stowed, below deck, even before Maersk’s new strategy was in place. Neither does it address the difficulties caused by the competition regulations preventing discussion between lines to help mitigate the cargo misdeclaration problem.

Maersk did tell FreightWaves that it can “confirm this topic is something we – and relevant industry fora – are looking into as part of the overall efforts to drive safety in our industry. We have not raised this with any competition authorities. While the final outcome of any discussions is currently unknown, such an outcome will clearly be compliant with all competition laws and, as necessary, raised with relevant authorities.”

The dangers of misdeclared cargo are not new. In 2002 the Hanjin Pennsylvania had a cargo of magnesium that came into contact with water and the subsequent fire caused other cargo, including fireworks, to ignite. The fire on the vessel raged for weeks and the costs in lost cargo and the vessel damage were astronomical.

Even so, cargo losses increased to such levels that in 2011 Hapag Lloyd launched a proprietary system called Cargo Patrol, which is software that attempts to identify potentially hazardous materials in cargo manifests. Although the company acknowledges that no system can be 100 percent safe, the line is attempting to raise the standards.

Cargo Patrol was given to IBM with a view that the software will be brought to the market so that all lines can benefit from the system. Although the system apparently failed to detect the hazardous cargo on the Yantian Express, insurers and other lines are positive about the system. Hapag Lloyd, for its part said, “It does not engage in any speculation about the Yantian Express.”

However, the German line did point out that it was a founding member of CINS, which was established in 2011 by a group of lines to combat misdeclaration of cargo, either intentionally or unintentionally. CINS shares information on all cargo-related incidents.

Even with these safety initiatives from the industry, Storrs-Fox points out that cargo fire incidents are occurring about one every three months according to what he admits are imperfect industry data. Storrs-Fox said that data collected on cargo losses is often non-specific. An example was the loss of the MOL Comfort that broke in two and sank. This event was recorded in some databases as cargo overboard.

Even with these inconsistencies, the dangers to life and limb and dangers to the environment, it is apparent that the regulators do not understand the potential that some collaboration within the industry could provide. The European Commission sees no contradiction between competition and safety rules. It says shipping lines must respect safety rules and are not supposed to engage in collusive behavior regarding price and terms of service.

Nevertheless, David Richards, Deputy Director of Cargo Claims at insurer North Protection & Indemnity Club, said, “We discussed the efforts being made within the container industry to address the problem of undeclared or misdeclared dangerous cargo. Through the International Group [of P&I insurance clubs] we support efforts to monitor and record instances of misdeclared dangerous cargo and to share data in this regard, whilst being mindful of the importance of properly understanding and complying with anti-trust and data protection law.”

Uffe Ernst-Frederiksen, (Head of Cargo Management, Maersk Line) and current chairman of CINS, was unavailable for comment.