# Maritime Casualty Response: PCC HOEGH XIAMEN

## Jacksonville, FL (June to August, 2020)


## Peter Robinson, MICS (Senior Commercial Manager)

# PRESENTATION

## AGENDA

- Introduction to Salvage
- Stakeholders & Contracts
- HOEGH XIAMEN Case Study

FIFI Response Team

RESOLVE MARINE

# INTRODUCTION TO SALVAGE

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# INTRODUCTION TO SALVAGE

## MARITIME HISTORY

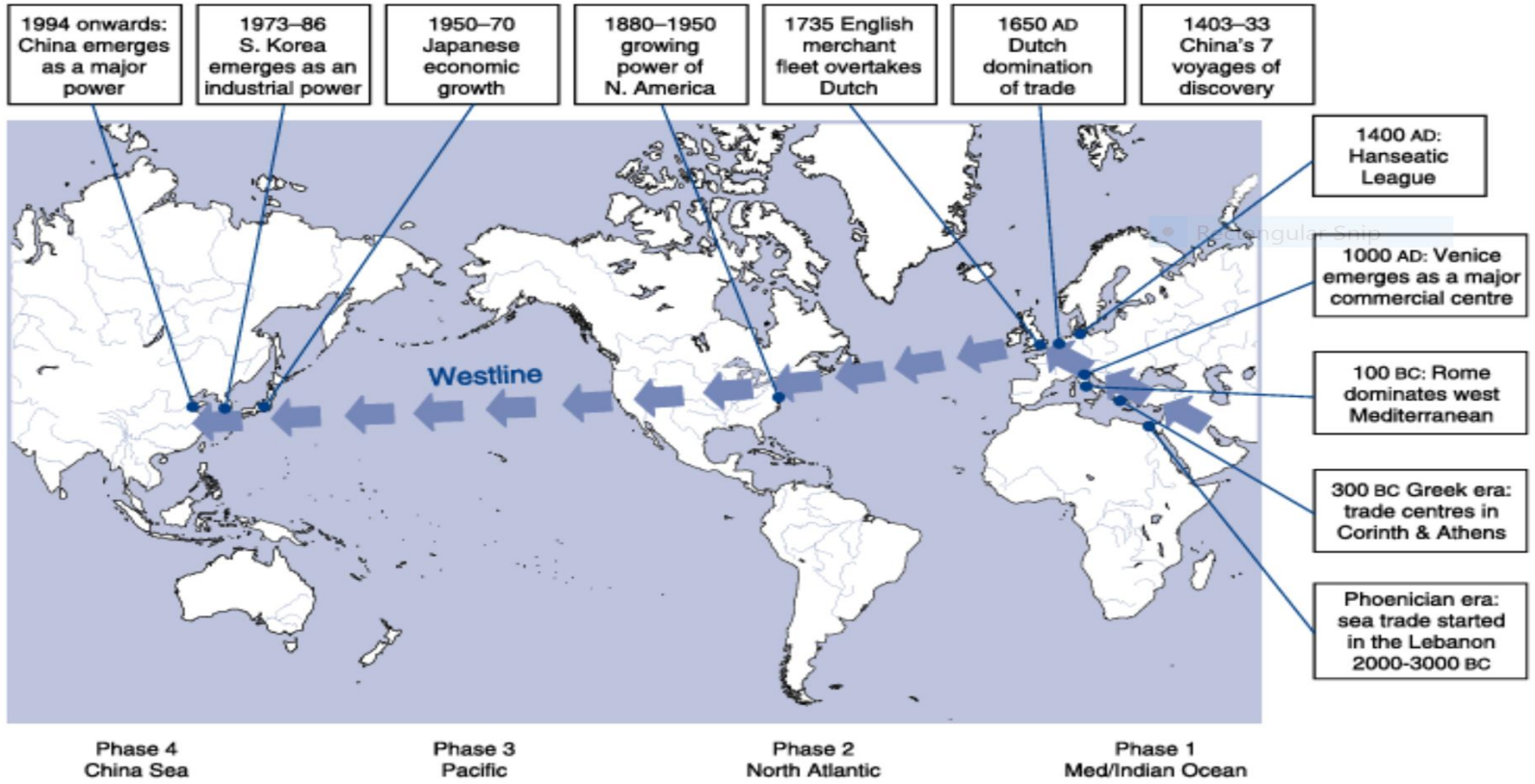


**Figure 1.1**
The Westline: 5,000 years of maritime trading centres
Source: Stopford (1988)

# INTRODUCTION TO SALVAGE

## WHAT IS SALVAGE?

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

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

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

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

International Convention on Salvage, 1989

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

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# INTRODUCTION TO SALVAGE

## PRINCIPLES OF SALVAGE

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

Right MV SOLOMON TRADER Aground – Solomon Island

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# INTRODUCTION TO SALVAGE

## DUTIES OF THE SALVOR AND OWNER

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

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

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

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

International Convention on Salvage, 1989

HOEGH XIAMEN FIFI Response

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# INTRODUCTION TO SALVAGE

## OPA 90 SMFF / VRP

**Vessel Response Plan**

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

Federal Register

Monday,
August 31, 2009

Part III

Department of Homeland Security

Coast Guard

33 CFR Parts 151, 155, and 160
Nontank Vessel Response Plans and Other Vessel Response Plan Requirements; Proposed Rule

# INTRODUCTION TO SALVAGE

## SMFF Coverage Requirements

TABLE 155.4030(b)—SALVAGE AND MARINE FIREFIGHTING SERVICES AND RESPONSE TIMEFRAMES

| Service | | Location of incident response activity timeframe | |
|---|---|---|---|
| (1) Salvage | | CONUS: nearshore area; inland waters; Great Lakes; and OCONUS: < or = 12 miles from COTP city (hours) | CONUS: offshore area; and OCONUS: < or = 50 miles from COTP city (hours) |
| (i) *Assessment & Survey:* | | | |
| (A) Remote assessment and consultation | | 1 | 1 |
| (B) Begin assessment of structural stability | | 3 | 3 |
| (C) On-site salvage assessment | | 6 | 12 |
| (D) Assessment of structural stability | | 12 | 18 |
| (E) Hull and bottom survey | | 12 | 18 |
| (ii) *Stabilization:* | | | |
| (A) Emergency towing | | 12 | 18 |
| (B) Salvage plan | | 16 | 22 |
| (C) External emergency transfer operations | | 18 | 24 |
| (D) Emergency lightering | | 18 | 24 |
| (E) Other refloating methods | | 18 | 24 |
| (F) Making temporary repairs | | 18 | 24 |
| (G) Diving services support | | 18 | 24 |
| (iii) *Specialized Salvage Operations:* | | | |
| (A) Special salvage operations plan | | 18 | 24 |
| (B) Subsurface product removal | | 72 | 84 |
| (C) Heavy lift [1] | | Estimated | Estimated |
| (2) Marine firefighting | At pier (hours) | CONUS: Nearshore area; inland waters; Great Lakes; and OCONUS: < or = 12 miles from COTP city (hours) | *COM041*CONUS: Offshore area; and OCONUS: < or = 50 miles from COTP city (hours) |
| (i) *Assessment & Planning:* | | | |
| (A) Remote assessment and consultation | 1 | 1 | 1 |
| (B) On-site fire assessment | 2 | 6 | 12 |
| (ii) *Fire Suppression:* | | | |
| (A) External firefighting teams | 4 | 8 | 12 |
| (B) External vessel firefighting systems | 4 | 12 | 18 |

# STAKEHOLDERS AND TYPES OF CONTRACTS

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# FURTHER CONSIDERATIONS

## STAKEHOLDERS

**Regulators:**

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

**Shipowner / Property Owner:**

- Responsible Party, Qualify Individual, Shipowner, Technical Manager Charterer, Cargo Owner, etc.

**Underwriters – Funding:**

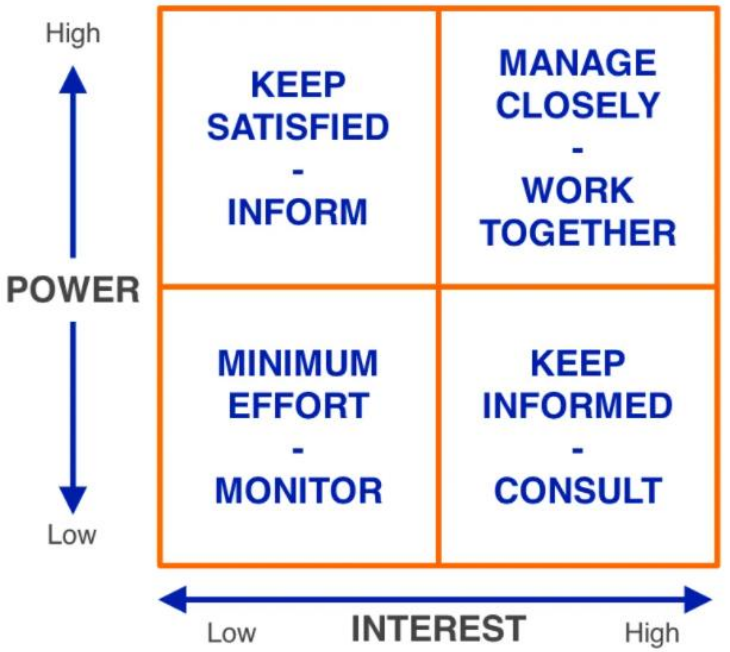
- Hull and Machinery (Salvage)
- Protection & Indemnity (Liability – Wreck Removal, Pollution, Oil Removal)

**Contractors:**

- Salvor, Oil Spill Response Organization, Spill Management Team, Various Consultants

**Public Interests:**

- Media, Special Interests Groups, Local Industry, Citizens, etc.




**The 'Standard' Stakeholder Map**
Reproduced from The Influence Agenda by Dr Mike Clayton (Palgrave Macmillan)

# FURTHER CONSIDERATIONS

## TYPES OF CONTRACTS

LOF 2020

LLOYD'S STANDARD FORM OF SALVAGE AGREEMENT

(Approved and Published by the Council of Lloyd's)

NO CURE - NO PAY

| | |
|---|---|
| 1. Name of the salvage Contractors:<br><br>(referred to in this agreement as "the Contractors") | 2. Property to be salved:<br>The vessel:<br>her cargo freight bunkers stores and any other property thereon but excluding the personal effects or baggage of passengers master or crew<br>(referred to in this agreement as "the property") |
| 3. Agreed place of safety: | 4. Agreed currency of any arbitral award and security (if other than United States dollars) |
| 5. Date of this agreement | 6. Place of agreement |
| 7. Is the Scopic Clause incorporated into this agreement? State alternative: Yes/No | |
| 8. Person signing for and on behalf of the Contractors<br><br>Signature: | 9. Captain<br>or other person signing for and on behalf of the property<br><br>Signature: |

**Salvage / Emergency Response (Dry Salvage)**

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

**Wreck Removal (Wet Salvage) / Marine Services / Etc.**

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

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# PCC HOEGH XIAMEN – CASE STUDY

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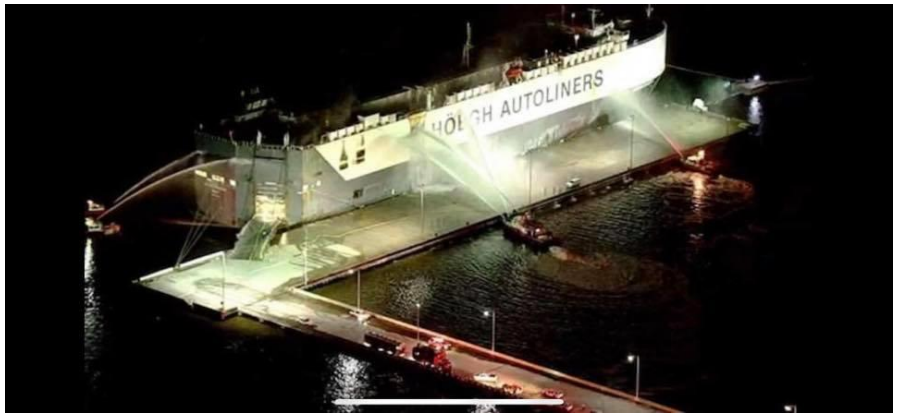
# HOEGH XIAMEN – CASE STUDY

## FIRE CASUALTY

### Initial Timeline

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



# HOEGH XIAMEN – CASE STUDY

## CONTRACTING

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

HOEGH XIAMEN External Boundary Cooling

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# HOEGH XIAMEN – CASE STUDY

## SALVAGE CONTRACT

**Lloyd's Open Form 2020**

Fit for purpose contract

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

**OPA90 Funding Agreement sets framework for various forms of contract**

**Vessel and / or cargo is in imminent danger**

- Fire
- Explosion
- Sinking
- Substantial threat to the environment

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# HOEGH XIAMEN – CASE STUDY

## CASUALTY RESPONSE OPERATIONS

### Casualty Response Operations

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

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# HOEGH XIAMEN – CASE STUDY

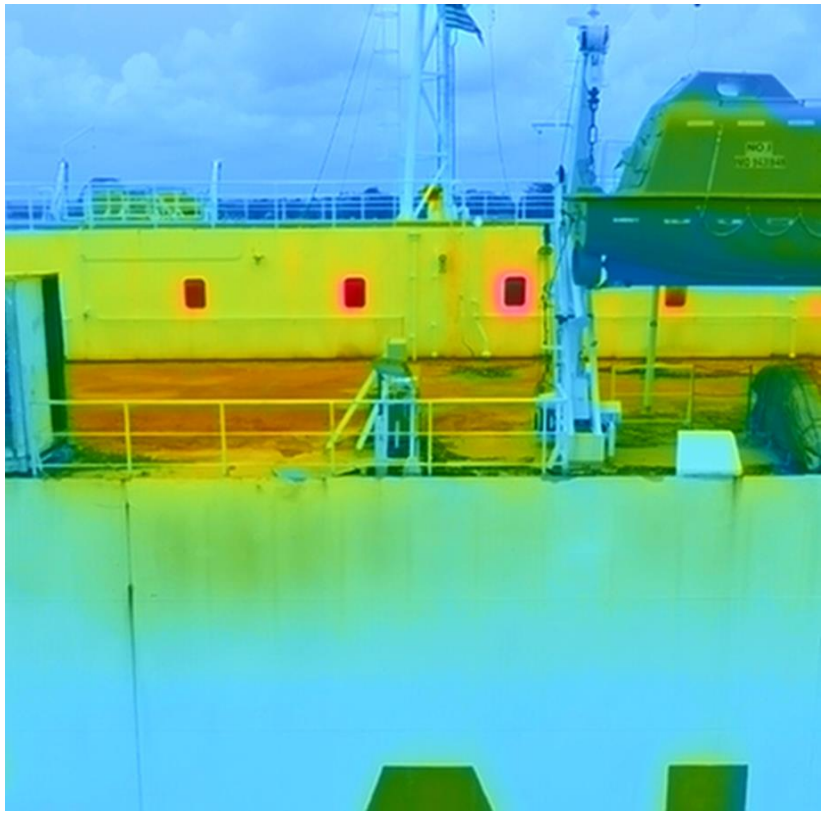
## BOUNDARY COOLING

- Boundary Cooling with 5,500 GPM portable FIFI Pumps above
- Boundary cooling with JFRD ladder truck

# HOEGH XIAMEN – CASE STUDY

## HOT SPOT INVESTIGATION

Firefighters from the salvage team investigating hot spots shortly after boarding vessel



Drone fitted with infrared thermal camera

# HOEGH XIAMEN – CASE STUDY

## TRANSITION OF CONTRACTS

Vessel declared "safe for entry" on June 25, 2020

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

- Cargo Removal
- Preparation for delivery tow to Turkey
- Caretaking

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# HOEGH XIAMEN – CASE STUDY

## INTERIOR PHOTOGRAPHS

Salvors installed lighting and ventilation system for safe onboard operations

Burnt cargo on Car Decks

# HOEGH XIAMEN – CASE STUDY

## STRUCTURAL DAMAGE

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# HOEGH XIAMEN – CASE STUDY

## CARGO REMOVAL

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# HOW CAN WE HELP?

**24 HR Emergency Response**

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