

Examiners' Report

November 2016

Port Agency

General Comments

Students displayed a wide knowledge of the syllabus and could also bring in working examples into their answers. The students had a mixed bag of answers on laytime and once again displayed significant difficulties in understanding the concept of the need for P&I cover. The students' use of the global map is an area that requires improvement.

Question 1

A vessel under your agency has loaded a cargo of steel plates. You have arranged pilots and tugboats for sailing shortly, and you have boarded the vessel in order to complete the cargo paperwork. The master of the vessel however refuses to sign the original bill of lading as he states that a percentage of the cargo is rust stained. Discuss your actions.

This question on bills of lading was generally well handled. Most students gave comprehensive overviews on the three main roles of the bill of lading and then offered some form of operational options such as letter of credit or replacing damaged cargo. Consideration should also be given to the impact of these options, such as delayed departure and the ability of the agent to contact the owner/charterer for approval.

Question 2

You are the owner's appointed agent for a vessel which has been involved in a collision with another vessel whilst departing your port.

The vessel has been towed to a safe anchorage by harbour tugs. Four of the crew have been injured in the collision and have been evacuated by helicopter to hospital for medical treatment. You have received a call from the local media stating that oil has been noticed leaking from the vessel under your agency and polluting the local shoreline. A salvage tug has approached the vessel and contacted your office asking if the vessel under your agency requires assistance. Discuss your actions.

Answers were generally good on the collision and its aftermath with injured crew. However there were some injudicious comments regarding the salvage tug, which could have prejudiced the shipowner's position and created a situation where the ships agent was working outside his/her warranty of authority. Answers should show ways in which the agent can assist with the pollution problem.

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Question 3

Explain why a ship's agent requires Protection & Indemnity cover.

The majority of students wrote well and in depth about the requirements of shipowner rather than ship's agents requiring P&I cover.

The question was about P&I cover for ships agents and answers needed to show knowledge of breach of warranty of authority with and without negligence, and also acts, errors and omissions, as well as debt chasing and cash handling.

Question 4

Based on a port of your choice, create a formal proposal in response to an enquiry from a major steel importer for a full package of port agency and related value added services for this product.

Generally well handled, students managed to give a number of relevant added value options. The question required in depth information on the port agency company. The answer should be set out as a formal proposal and the format in general was acceptable with some room for improvement.

Question 5

Compile a detailed time sheet and calculate demurrage or despatch due from the information within the Statement of facts below.

MV Rio

Arrived Hamburg Roads 0600 Hours Monday 3rd March

NOR Tendered 0900 Hours Monday 3rd March

Loading Commenced 0700 Hours Tuesday 4th March

Loading Completed 1900 Hours Wednesday 12th March

Vessel Sailed Hamburg 0600 Hours Thursday 13th March

Cargo Loaded 20,000 M/Tonnes

Grain Charter Party States:

"Laytime to commence at 1300 Hours if notice is given before Noon, at 0700 Hours next working day if given after noon: Notice to be given in normal working hours."

"Cargo to be loaded at the rate of 5,000 metric tonnes per weather working day of 24 consecutive hours."

Time from 1700 Friday or the day preceding a holiday to 0800 Hours Monday or next working day not to count unless used, but half of actual time used to count, unless vessel already on demurrage. Any time lost due to strikes or labour disputes would be for the account of the charterers.

Demurrage rate USD 5,000 per day and pro rata/despatch at half demurrage rate on laytime saved.

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On Tuesday 4th March the vessel stopped loading due to rain between 1200-1600 Hours.
On Wednesday 5th March the charterer was unable to supply cargo due to a technical problem with the shoreside grain elevator from 1000-1400 Hours and also from 1600-1700 Hours.
On Thursday 6th March the vessel stopped loading due to rain between 1200-1400 Hours.
On Friday 7th March the vessel was unable to load due to a stevedores strike between 0800-1700 Hours. The vessel loaded throughout the weekend without further interruption or stoppage.
On Monday 10th March the vessel stopped loading between 0800-1400 Hours due to rain. The vessel was unable to sail until 0600 Hours on Thursday 13th March due to bad weather. No local, national or international holidays occurred during this period of time.

We introduced a number of different twists into the laytime calculation. This perhaps just created some difficulties for the students. Subsequently, the number of correct answers was minimal. Thought will be given to finding the correct balance for future laytime questions.

Students need to methodologically work through the delays and understand if the delays count in laytime.

Question 6

Using a port of your choice, create four separate disbursement invoices covering a vessel's call under a time charter where you have also carried out duties for the head owner, exporters and ship managers.

This question was very well handled by the students. Most were able to define the differences from owners, time charterers and exporter's costs. The only area where there could have been some room for improvement was the ship managers' costs.

Question 7

For TWO of the following deep-sea cargo movements draw a profile of the typical vessels. Using the map attached indicate appropriate load and discharge ports, dimensions and tonnages as well as voyage routes.

- i. LNG
- ii. Phosphate Rock
- iii. Timber
- iv. Coal

Reasonably well handled with some students scoring well in this question, whilst other students struggled. A large number of student for some reason thought all coal shipments ex Australia came from Darwin which was incorrect. Students should be able to draw a clear profile of the different types of ships and take care when drawing the voyage routes on the map provided.

Students were more comfortable answering questions on LNG and coal.

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Question 8

You have been contacted by your local port authority who are asking you to make payments for the port call of a vessel under your agency whose owners have been declared bankrupt whilst the vessel is in port. The vessel's port costs are £100,000. You have not received any advance funds, and advise the port authority that you are acting 'as agents only'. The port responds by stating that within its terms and conditions they do not recognise 'as agents only' as a defence and demand immediate payment, or will no longer offer any other services to your agency. Discuss your actions.

Many students overlooked that the vessel owners had indeed been declared bankrupt, and sought financial redress directly from the owners, instead of using their P&I club. Many students gave unclear answers to the ports position on not recognising the agent's legal position. Answers also needed to discuss the operational options for the ship in port.