

# DRY BULK TERMINALS - REDRESSING THE BALANCE

The following article by Richard Peckham, Co-ordinator of the International Dry Bulk Terminals Contact Group (DBTG), seeks to bring balance to the perspective created by the earlier IBJ articles. It makes clear that Group members and other high quality terminals are extremely concerned about safety - not just ships, seafarers and the environment but also the personnel and fabric of terminals.

Recognising that ships should be designed to accommodate the rigours of their operational environment the Group points out that prevailing handling techniques and speeds pre-date the entire trading bulk carrier fleet.

The DBTG was formally established in early 1999 after an initial meeting at end 1997 to provide terminals with an effective means of communication within the maritime community.

## CASUALTIES

Throughout the early 1990s IBJ was at the forefront of examination and analysis of the appalling casualty crisis in the dry bulk and combined carrier sector.

At its worst level the crisis evidenced the loss of one large bulker per month as a result of known or probable catastrophic structural failure. In the period 1989 to 1994 hundreds of seafarers lost their lives in this way.

If such casualty statistics were first explained as 'historic blips' the shipping industry was soon obliged to commit to thorough investigation of the causes of the crisis with IACS and IMO as well as Insurers and the Salvage Association driving matters forward.

Eventually, comprehensive examination of the bulk carrier problem revealed general causes often working in combination with these including:

- Inadequate design
- Inadequate maintenance and perhaps deliberate negligence in the interest of cost-saving
- Poor - sometimes corrupt - vessel inspection and classification
- Sub-standard management and operational practices in general
- Deliberate chartering of vessels at lowest possible rates

In short, a catalogue of sub-standard industry practices and an indictment of the dry bulk shipping sector as a whole that prompted reports such as "Ships of Shame" and the world-viewed television documentary "Scandal at Sea".

The agenda for the recent (May 2000) Maritime Safety Committee of IMO shows that bulk carrier design remains a matter of utmost concern. As explained later the DBTG sees this as a critical issue; one that will be discussed at its meeting in Gijon, Spain in September this year.

Through examination of the casualty crisis the impact of stress and damage caused at loading and discharge of a ship throughout its life - especially as it reaches old age - has been identified as one of a number of probable contributory factors to vessel structural fatigue and

failure. As such it should be treated seriously and since inception the DBTG has expressed willingness to co-operate with others and bring its obvious operational and managerial expertise to any meaningful examination and analysis of the issue.

Unfortunately it seems that some - perhaps shipowners in particular - have sought to elevate this 'contributory factor' into something more akin to 'useful scapegoat'. At inter-governmental level at least it seems that this transition has been made more rapid by the lack of any meaningful body of representation for the world dry bulk terminals sector.

When the founder members of the DBTG met for the first time in Rotterdam in 1997 it was evident that dry bulk terminals (unlike the dry cargo shipowners) have no specific representation at IMO. They are isolated from IMO's processes and have little or no contact with national delegate bodies. Indeed it may be significant to note that some DBTG members have been trying without response, to engage their national IMO representatives in dialogue since end 1997.

Little surprise then that IMO's Code of Practice for the Safe Loading and Unloading of Bulk Carriers - the so-called BLU Code - is acknowledged as having been formulated with limited consultation or input from the terminals industry.

With this in mind the DBTG - with valued backing from the Coal Exporting Terminal Operators' Association - has made application to IMO for Consultative Status.

It is clear that developments such as the BLU Code should not be pursued as part of a thrust by other sectors of the shipping industry to divert attention from their own shortcomings and responsibilities.

## **CONTACT GROUP**

Commercial matters are not discussed by the International Dry Bulk Terminals Contact Group. Instead, its focus is upon matters of safety, the environment and technical innovation and it is a signatory of the Maritime Industry Charter on Quality. Members account for the handling of some 500mta of dry bulk cargo, especially the major minerals of iron ore and coal, as well as fertilizers, grains and so on. This enables the Group to offer an effective and representative voice for the dry bulk terminals industry internationally and provide specific operational and managerial expertise to IMO and others as the consideration of bulk carrier safety and quality issues continues.

In repeating that such a voice has been absent from IMO and wider industry deliberations in the past it must be emphasised that dry bulk terminal operators attach great importance to the safety of ships, seafarers and the environment but also terminal facilities and their personnel.

Terminal operators face real risks from and aboard sub-standard ships that are poorly designed, maintained and operated. Perhaps this is one reason the US Coastguard places ships much higher than terminals in the 'scale of risk' in its assessment of BLU Code compliance

The US view (stated at two recent meetings with DBTG representatives) contrasts sharply with the first announcement by the European Commission at end 1998 that its legislative programme for 1999 would 'deal with the problem of the bulk terminals'. Here again such

announcement was made with seemingly no meaningful prior consultation with the terminals industry.

The DBTG raised a long list of unanswered questions about the ship casualty, port call, load/discharge damage statistics referenced in the Working Document for the EC's legislative initiative entitled: 'Safe Loading and Unloading of Dry Bulk Carriers - Proposal for a Community Framework on Harmonised procedures and Quality Assurance Systems. Without detailed explanation these statistics, in the view of DBTG representatives, were almost meaningless. Such statistics were referenced in the previously mentioned IBJ articles.

Through its own persistence the DBTG was able to contribute practical guidance to the EC Working Group.

In correspondence and submissions to both IMO and the EC the terminals group has emphasised the importance of consistent interpretation and enforcement of regulations if commercial distortions are to be avoided. At the same time it has referred to concerns about prevailing loading and discharge speeds and handling techniques and endorsed the BLU code statement that:

*'It is essential that a ship selected to transport a solid bulk cargo be suitable for its intended purpose taking into account the terminals at which it will load and unload'.*

Here, DBTG points out that terminal handling techniques, speeds and so on evolved over time in response to the demands of the dry bulk trade transport and handling chain in general - shipowners and charterers in particular.

Dry bulk carriers trading today, and at the emergence of the casualty crisis - were designed and constructed at a time when current handling systems were known.

Prior to the early 1990s escalation of large bulk carrier casualties and losses it was generally assumed/understood that the shipping industry was designing, operating and maintaining ships capable of withstanding the rigours of their operational environment. Clearly this understanding was incorrect.

The DBTG fully supports the requirement for both ship and terminal to follow correct loading and discharge procedures, to communicate fully and to adhere to properly formulated load/discharge plans.

At the same time it is surely reasonable to expect that ships for the transportation of dry bulk materials should be properly designed with full attention to cargo handling systems that have been long established.

Further details: The International Dry Bulk Terminals Contact Group may be contacted through its Web Site: [www.drybulkterminals.com](http://www.drybulkterminals.com)

The Group's 'First Dry Bulk Terminals Industry Conference' will take place 14-15 September 2000 in Gijon, Spain. Exclusively for owners/operators of dry bulk terminals the meeting sessions will address ship/port interface safety, environmental issues, technical innovation, and industry communications. Further information may be found on the Web Site.