



FEBRUARY 28, 2013

CIRCULAR NO. 07/13

TO MEMBERS OF THE ASSOCIATION

Dear Member:

THE CARRIAGE OF NICKEL ORE – NEW NOTIFICATION REQUIREMENTS FOR ALL NICKEL ORE CARGOES – ADDITIONAL SURVEY REQUIREMENTS FOR CARGOES LOADED AT OBI ISLAND, INDONESIA

The recent tragic loss of the HARITA BAUXITE, which has been widely reported in the press, has highlighted, once again, the hazards of transporting nickel ore, a cargo prone to liquefaction. While the loss continues to be investigated, it points to the need to strengthen loss prevention measures where such cargo is loaded, particularly at Obi Island, Indonesia, where the cargo and voyage in question had their origin.

The risks associated with the carriage of nickel ore were explained in detail in [Circular No. 06/11 of January 28, 2011](#) and [Circular No. 15/12 of May 31, 2012](#), together with Member Alerts of [December 16, 2010](#), [February 2, 2012](#) and [August 1, 2012](#). Although the HARITA BAUXITE casualty continues to be under investigation, it would appear that the liquefaction of cargo was a contributing cause.

The investigation to date has raised concerns about the export of nickel ore from Indonesia generally, and from Obi Island in particular. These concerns have intensified as a result of reports from the Club's representatives currently at Obi Island, and by reason of a recent surge of notifications from Members intending to load nickel ore at Obi Island and at other Indonesian ports.

Accordingly, upon further review of the HARITA BAUXITE loss, and in light of the circumstances described above, your Managers have concluded that they must require, with immediate effect and until further notice, that Members who plan to fix or charter a vessel to load nickel ore comply with the requirements set out below.

A. Mandatory notification requirement for all nickel ore cargoes

[Club Circular No. 15/12 of May 31, 2012](#), set out notification requirements for Members who plan to fix or charter a ship to load nickel ore from ports in Indonesia and the Philippines. Those requirements remain in full force and effect.

However, such notification must be communicated to the Managers **no less than 7 days prior to loading** such cargo.

As referenced in Circular No. 15/12, the following information must be provided, including the additional item 7 below:

1. Ship name.
2. Port/anchorage of loading and estimated time of arrival.
3. Date of intended loading.
4. Charterer/shipper's details.

5. Agent's details.
6. Copy of the shipper's cargo declaration and supporting certificate.
7. Name and address of laboratory used to test samples.

With respect to item A.6 above, it is appreciated that such supporting certificates may not be available 7 days prior to loading. In such circumstances, the Member should provide the Managers with a copy of the cargo safety certificate(s) as soon as possible, or as soon as it (they) becomes available, **but no less than 24 hours prior to loading**.

These notifications and the relevant documentation shall be sent electronically to:

surveys@american-club.com.

B. Mandatory survey, documentation and other requirements for nickel ore to be loaded at Obi Island

Members considering carriage of nickel ore from Obi Island, Indonesia are required to do the following:

1. Members must comply with the requirements as set forth in SOLAS Ch. VI, Reg. 2 and Sections 4, 7 and 8 of the IMSBC Code.
2. Before a Member agrees to carry such a nickel ore cargo, the Managers' Surveys/Technical Department must be contacted for further advice. The Member should also ensure that the terms of carriage for such cargo or any applicable contract of affreightment, charterparty or proposed bill of lading is approved in writing by the Managers.
3. Upon the Member's notification in accordance with the timing required in section A above, the Member must assist the Club to facilitate a pre-loading survey ashore, followed by cargo loading monitoring on board of such cargo at Obi Island.
4. The pre-loading survey must be conducted by an independent surveyor appointed by the Club. The survey will involve the sampling of ALL cargo to be loaded, in accordance with the sampling protocol stated in the IMSBC Code. The representative samples obtained must then be analyzed at an independent laboratory nominated by the Club, in accordance with the IMSBC Code.
5. Upon obtaining acceptable results from testing of the samples, loading of the cargo considered to be satisfactory is to be monitored by the Club-appointed surveyor to assist the Master to ensure the cargo is being loaded in accordance with the relevant sections of the IMSBC Code.
6. Notwithstanding the independent analysis, no later than 24 hours prior to the commencement of loading, the Member must provide the Club-appointed surveyor with the following documents, which the shipper shall be obligated to provide:
 - a) a complete copy of any and all applicable cargo information as required under sections 4.2.2 and 4.2.3 of the IMSBC Code for nickel ore cargo to be loaded onto the entered vessel

- b) any and all underlying laboratory analyses and moisture certificates as required under section 4.2.2.9 of the IMSBC Code.
7. Subject to an individual vessel's terms of entry, the Club will make a 50% contribution toward the costs of the survey and cargo testing.


Conclusion

Members should be aware that they will be prejudicing Club cover if they fail to notify the Managers that they plan to fix or charter a ship, or that a ship has been ordered, to load nickel ore and then fail to facilitate the required pre-loading survey and load monitoring in accordance with the requirements set out above.

Since investigations into the HARITA BAUXITE incident, and other aspects of the nickel ore trade, are ongoing in nature, your Managers will periodically review and revisit these requirements to reflect new information, and all other relevant facts and matters, as may come to light as their investigations proceed.

In the meantime, should Members have any questions, they should feel free to contact the Survey/Technical Department at +1 212 847 4500 or by e-mail at surveys@american-club.com.

Yours faithfully,



Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for

THE AMERICAN CLUB