MEMBER ALERT

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VENEZUELA: OIL LEAKS AT PDVSA TERMINALS CAUSE DELAYS IN VESSEL LOADING AND DISCHARGING OPERATIONS

Several oil leaks in the last year at the key Venezuelan ports of Bajo Grande and Jose have resulted in delays in the loading and discharging of vessels. Maritime laws prohibit oil-stained tankers from navigating international waters until hull cleaning is performed. At the moment, approximately a dozen tankers (several from state-run PDVSA's fleet of owned and chartered vessels) are anchored in the Caribbean Sea, unable to reach their final destination because PDVSA cannot pay for the hull cleaning of vessels stained by these oil leaks.

Meanwhile, as PDVSA's debts to cleaning firms grow, the conditions giving rise to these leaks have not been remedied, causing future problems for vessels trading in and around Venezuela. Most recently, a crude spill at the port of Jose in January 2017 stained more tankers, this time affecting vessels waiting to load crude oil for export.

Your Managers recommend that Members calling at Venezuelan ports take the following preventive measures to delays or other potential exposures or expenses arising from these First, Members should promptly contact the Club's correspondents for assistance if they encounter pollution in these ports. In addition, it is recommended that Members consult with charterers regarding alternative arrangements for private cleaning, if needed. In this regard, in the context both of existing fixtures and of potential fixtures involving Venezuelan ports (and the region in general), special attention and care should be given to charterparty terms which address responsibility for hull cleaning, related expenses and/or attendant delays should a chartered vessel be soiled due to pollution.

Inquiries relating to this Alert should be directed to the attention of Mr. George J. Tsimis, Senior Vice President - Global Claims Director & General Counsel, at george.tsimis@americanor Ms. Jana Byron, Vice President - Senior Claims Executive, club.com. jana.byron@american-club.com.