MEMBER ALERT

Shipowners Claims Bureau, Inc., Manager 60 Broad Street – 37th Fl., New York, NY 10004 USA

Tel: +1 212 847 4500 Fax: +1 212 847 4599 E-mail: info@american-club.net

www.american-club.com



APRIL 8, 2004

TALLY COUNTS IN UKRAINIAN PORTS

It has come to our attention that the Ilyichevsk Commercial Sea Port has toughened its position in respect of the tally counts of steel cargoes. As a result, the Club would like to advise Members of the potential risks associated with loading these cargoes in the Ukraine.

The Club would like to thank Dias Co., Ltd. in Odessa for their assistance with this Member Alert.

Tally counts for steel cargoes

Some Ukrainian ports insist that, unless the ship has arranged for her own tally count by the crew or by an independent tally team, the Master should (and is very often made to) accept the figures from the port's tallymen and sign the relevant tally sheets, Mate's receipts, and bills of lading without any remarks concerning the quantity of the cargo loaded.

This practice can lead to substantial claims for damages against the vessel/shipowner in view of the shortage revealed at the port of discharge. This is a particular problem with cargoes of steel billets, rebar, angles, and similar steel products.

It has come to our attention that the situation has worsened, and now the Ilyichevsk Port Authorities refuse to accept the crew's tally figures as prejudiced and inaccurate. As a result, they only recognize the figures of the tally counts performed by their own tallymen or an independent tally team.

It becomes evident that many Ukrainian ports are also trying to set stricter requirements for the vessels in respect of tally counts and cargo documents signing. We assume that a number of other Ukrainian ports are likely to follow the Ilyichevsk Port Authority policy and adopt similar regulations.

Recommendations

Thus, in order to ensure that Members are able to fulfill their obligation to ensure that bills of lading contain a correct description of the cargo and to avoid possible losses, we would highly recommend the Club's Members arrange for an independent tally count of steel products whenever their vessels call at the Ukrainian ports to load steel.