Tuesday 31 August 2021 Lloyds List

Tanker depression pushes owners to idle vessels

31 Aug 2021 Cichen Shen

THE prolonged market depression appears to be prompting owners of very large crude carriers to idle ships to avoid cash-burning voyages.

Lloyd's List Intelligence's vessel-tracking data shows that at least 39 unladen VLCCs (draught of 12 m or below) are at anchor off the southeastern coast of Malaysia and the Strait of Malacca, a key waterway for international crude oil shipping.

More than half of them have been in the anchorage for over a week.

Most of those tankers were built between 1998 and 2010, suggesting they are non-eco tonnage featuring relatively high fuel consumption yet low earnings level.

Not all the anchored ships are being idled, though.

Some are emptied VLCCs previously used as floating storage; some — especially those that are vintage tonnage with elusive ownership — could be expecting their next lucrative ship-to-ship transfer operation for oil from sanctioned territories; some may simply be awaiting the next scheduled shipment.

But the loss-making freight rates are increasingly pushing owners to do the math, according to industry experts.

Average VLCC time charter equivalent rates published by the Baltic Exchange have been below zero for more than 160 consecutive assessments since mid-January, with the latest hovering around minus 10,000 daily.

That indicates the charter income can no longer cover a vessel's operating costs, leading to its owner facing losses for accepting the hire.

Banchero Costa head of research Ralph Leszczynski described the current VLCC spot market as "the worst in the past 20 years".

"At this level, it does not really make sense to do anything, even ballast anywhere, so you can only wait," he said. "However, few owners would take the hard step of actually putting the vessels in cold lay-up somewhere like Labuan as you risk losing your major approvals. Hence, you just wait somewhere like near Singapore, and take your time before fixing the vessel."

At least 10 VLCCs run by Cosco Shipping and China Merchants, which together own more than 100 VLCCs in service, have gone down that path off key tanker hubs, such as Singapore, according to market sources. This has not been confirmed by the two companies.

Six of the 39 VLCCs identified by Lloyd's List Intelligence are owned by Cosco built between 2006-13.

One executive from Cosco Shipping Energy Transportation, the state conglomerate's listed tanker arm, denied that the company has laid up any VLCCs.

The fleet "is in normal operation except for a few that are waiting for cargos," he told an analyst webinar on Tuesday (today).

A mid-life, non-scrubber VLCC hauling cargo on the TD3 route from Middle East Gulf to China will earn TCE of minus $2,000 per day, and the older the vessel the more money it loses, said a Shanghai-based tanker chartering expert.

In comparison, the same vessel on standby in the anchorage will still burn seven to eight tonnes of low-sulphur fuel every day, costing about $4,000 at current price levels.

"But other factors, such as the lengthy shipment waiting period today and the war-risk insurance premium could change the calculations," he said.

The so-called warm layup is another option.

Such a measure, with reduced crew on board to conduct necessary maintenance and keep part of the machinery up and running, can bring the ship back into service at short notice while generating more saving on operating costs.

"But they have to factor in the costs for crew change which has become extremely difficult under the pandemic circumstance," said the chartering expert.

Nevertheless, owners will likely be forced to opt for the provisional capacity withdrawal should the VLCC doldrums persists.

Some VLCC players have already seen their losses widened in the first half of this year. New York-listed owner Euronav reported $89.7m of net loss in the second quarter of the year, following $71m of shortfall in the first three months.

"Owners will have to do something as the third-quarter financials could be even more unpleasant," said a Hong Kong-based tanker executive.

Mr Leszczynski said it comes as no surprise that some vessels could end up in layup amid a pandemic-led debacle of the market equilibrium in oil shipping.

"All the lockdowns and closed borders have sharply reduced demand for gasoline and jet fuel."

According to his company's estimates, seaborne crude oil loadings in January-July of 2021 dropped about 7% year on year and about 10% compared with the 2019 period.

Meanwhile, the VLCC trading fleet capacity expanded by 4% in 2020 and is expected to grow another 2% this year.

"The hope is that in the later part of this year, the opening up of borders and economies continue, and refiners run down their stockpiles sufficiently, and we will again see a pickup in crude demand," said Mr Leszczynski.

Another culprit behind the tanker dismay is the lack of scrapping, according to shipbroker Gibson.

Its statistics show that only five active VLCCs have been sent to the breaking yards so far this year despite dented freight rates and record-high scrap prices.

The demand for obsolete tonnage used for sanctioned trade provides part of the explanation.

Those involved in smuggling oil from Iran and Venezuela accounted for up to 10% of the global VLCC and suezmax fleets, Gibson estimated in May.

"Unless scrapping levels bounce back, it is highly unlikely that if current market conditions continue, there will be any prospects of tanker earnings lifting from their present doldrums," said the broker.

LNG is not the only transition option

31 Aug 2021 Bill Liddell

SHIPPING's greenhouse gas emissions discussion continues to move at pace with much of the talk around liquefied natural gas and its role as a transition fuel.

There is much less talk when it comes to another gas alternative, one that is easier to handle and less harmful to the environment.

Liquefied petroleum gas, in the form of propane and butane, can play a major role moving towards the 50% reduction in GHG emissions set by the International Maritime Organization for 2050.

LNG was the 'original gas fuel' used in ships and is more widely known and readily accepted.

But it contains methane, a greenhouse gas that scientists consider to be more harmful than carbon dioxide, and combustion must be very efficient to minimise 'methane slip' into the atmosphere. That is not to mention its -162°C temperature at ambient pressures.

In contrast, LPG has had the methane removed during production, is kept at a much warmer temperature, at moderate pressures, compared to LNG and needs much less exotic containment.

LNG needs cryogenic transport systems, rigid or vacuum insulated, while LPG can be much more easily handled.

The benefits of LPG include improved safety over LNG, much cheaper materials, and much wider availability. Further, LPG can be supplied by road tankers at most ports.

LNG can still be supplied using vacuum insulated road tankers but the gas transfer process from tanker to vessel must be strictly controlled and takes much longer as a "cool down" process has to be carried out first.

Why, then, is LPG not more popular? The simple answer is that it needs wider exposure and greater promotion.

LPG and the benefits it can bring as a transition fuel are not circulated in the way LNG is. LNG also had a massive head start when it came to regulation.

LPG was not permitted as a fuel gas in the 1983 IGC code[1] (as amended), LNG being the only option. It was only in 2016 that the code was changed to allow alternative fuel use "providing the same level of safety as natural gas in this code is ensured".

Isle of Man Ship Registry has worked to help our clients meet ever more demanding GHG emissions targets, also helping to raise the profile of LPG.

Our work alongside Oslo-listed BW LPG is paving the way for ships to be retrofitted to run on LPG.

In total, BW will retrofit 15 vessels. It has already cut its emissions considerably, reduced operating costs and is already justifying the switch to LPG dual-fuel through its return on investment.

The very large gas carrier *BW Gemini* (IMO: 9703007) was the first of BW's nine Manx-registered LPG vessels to be retrofitted. It set a precedent and enabled IOMSR to issue the first flag acceptance of a modification to use LPG as fuel for older gas tankers.

Gas carriers already have the safety and control systems in place to handle a liquid gas cargo. Other types of ship would have to install it, which raises more issues.

Both LNG and LPG burn very cleanly — there are few carbon particulates emitted, no sulphur, and about half the NOx emissions of refined fossil fuel.

However, all new fuels have safety and distribution challenges.

Something that must be considered by anyone 'going gas' is crew training. Specific handling through gas tanker safety familiarisation is a minimum, simply to be aware of containment hazards and what to do in the event of fire.

What of other fuel alternatives "beyond transition"?

Biofuels can be a 'drop in' option and used with very little modification to engine and fuel systems. They currently have supply and scaling issues.

Emissions depend on the biomass used and the ratio of oil/ester used to make the fuel, as well as the power loading on the engine. Because they are organic, biofuels have to be stabilised and are naturally slightly acidic, which has to be understood.

Methanol use can be accommodated through the IGF code[2] and has substantial reductions on emissions, but it is classified as toxic and in strong daylight pure methanol burns with a near invisible flame.

LNG is a transition fuel to green hydrogen solutions and LPG is a transition fuel to green ammonia solutions. Any "green fuels", synthesised utilising green conversion energy, require a large amount of power for conversion.

Hydrogen has a very wide flammable range and can be difficult to contain; ammonia is a highly toxic fuel and has a high affinity for water which can be dangerous to a person's mucous membranes in the event of leakage.

Whichever fuel option is considered, a vessel's service and trade, initial construction, and whether to outfit or retrofit must all be taken into account.

No matter which option is decided upon, capital and operating expenses will remain the driving considerations.

The retrofit versus newbuilding debate is not as clear-cut as it may seem or is portrayed. There are obvious benefits to both from a green perspective.

On a carbon footprint basis, from initial keel laying to trading, newbuildings that are well designed and efficiently constructed in all areas have an obvious advantage over a retrofit done on an older vessel.

However, retrofitting has a lower carbon footprint, permitting LPG fuel use in around two months compared to a year or so for a newbuild. It was previously not an option because of the way the IGC code was written. This allows massive capital expenditure savings and is a huge step in the direction of emission reduction over a much smaller timeframe.

Reducing vessel GHG emissions and improving the Carbon Intensity Indicator (CII) is the whole point of IMO's 'go green' emission reduction programme.

Being a 'green operator' will eventually provide commercial bargaining power and it is better to physically reduce emissions than to simply trade emissions through carbon offsetting.

In the move to alternative fuels there is a huge push to deliver set objectives and targets. Teamwork and open minds, together with collaboration and standardisation across the industry are key to this.

Governments have regulatory-imposed safety in mind now, evolving at a pace that tries to keep up.

Producers have storage, treatment, infrastructure, delivery, and efficiency considerations to consider.

Designers must work with the available technology but going forward we are likely to see new materials, better construction methods and stronger, lighter, and more carbon friendly materials being used.

Operators have running costs and efficiency considerations. After all, there would be no commercial point having a 'super-efficient, future-fuelled' vessel, if the propulsion method must be accommodated at the expense of being able to carry minimal cargo.

Bill Liddell is Senior Surveyor at Isle of Man Ship Registry

[1] The International Code for the Construction and Equipment of Ships Carrying Liquid Gases in. Bulk

[2]The International Code of Safety for Ships using Gases or other Low-flashpoint Fuels

Methanol has its limitations for shipping

31 Aug 2021 Declan Bush

METHANOL may be too hard to source sustainably to be the best green transition fuel for the shipping industry, according to classification society DNV.

Industry groups have welcomed AP Moller-Maersk's decision to buy eight dual-fuel, 16,000 teu containerships that can run on methanol as a show of commitment to decarbonising shipping.

But DNV maritime chief executive Knut Ørbeck-Nilssen said the supply of renewable methanol was "not there".

"For now, gas including liquefied natural gas and liquefied petroleum gas are the best solutions," he said. "A big player like Maersk has the possibility, the size and the powers to really move the pendulum. I'm therefore very happy to see that it is now showing a keen interest in methanol."

Speaking on a webinar, Mr Ørbeck-Nilssen said methanol's onboard technology was relatively mature and its costs reasonable compared with other alternative fuels, "so in a way it makes a lot of sense".

But he said supply was the key challenge.

“Maybe one player like Maersk can source either green or sustainable methanol, but for the wider shipping industry — or for the industry as a whole — certainly the supply side is not there. And it doesn’t make sense to go for methanol unless it is either produced in a green way or sourced from sustainable biomass.

“For everyone to think about [using] methanol wouldn’t make much sense at all. But certainly, it is good to see that a significant player like Maersk is exploring alternatives.”

Mr Ørbeck-Nilssen said Maersk wanted to spur more renewable supply by providing demand.

“But I would still claim that for now, gas and LNG and LPG are the best solutions and then as we progress, certainly methanol and ammonia... show great potential. But they need to be produced from the right sources to make a difference.”

Lloyd’s Register decarbonisation programme manager Charles Haskell welcomed Maersk’s decision, but said companies had to consider the long-term supplies before investing in new ships.

Mr Haskell said finding carbon-neutral fuels from the first day of service would be hard and shipping still needed a way to maintain or cut its emissions despite increasing transport demand. He said companies had to ensure that alternative fuels — which today are mostly made through burning fossil fuels — offered significant emissions cuts.

“This is why the discussion on lifecycle analysis must progress ahead so that we can truly evaluate fuels based on their associated emissions across the entire supply chain,” he said.

Kongsberg Maritime SVP for maritime concepts Oskar Levander has said that if shipping is to use renewable power to produce carbon-emitting fuels, it would be better to opt for synthetic or bio-LNG, which could be dropped into existing ships, than methanol.

Bill Hemmings, an independent consultant and environment activist, said Maersk would know its reasons for choosing methanol better than anyone else. He said mixing grey, or fossil methanol with the green, renewably sourced sort could help supplies early on.

The industry could consider producing it at lower purity than the level required by the chemical industry, to help it compete with other fuels on cost, he added.

No easing in sight for long-term freight rates

31 Aug 2021 James Baker

AN EASING in the rate of contract freight rate increases in August is not necessarily a bellwether for better conditions in the global supply chain and relief from soaring costs is unlikely to come soon.

Figures compiled by freight rate visibility platform Xeneta showed long-term contracted ocean freight rates rose just 2.2% during the month.

It followed a 28.1% rise in July, meaning that contract rates are now 85.5% higher now than this time last year.

"In the context of 2021, a 2.2% monthly increase in rates appears modest, but in any other year this is an excellent result for carriers," said Xeneta chief executive Patrik Berglund. "Remember, this is yet another rise on the back of the largest-ever monthly increase in July. So, while some may have been expecting — read 'hoping for' if you're a cargo owner — an adjustment downwards, we're seeing a further demonstration of the powerful position liner operators find themselves in."

Box lines continued to hold all the cards, and were "winning big", he said.

Increasing port congestion and relentless demand would continue ahead of the all-important pre-Christmas period, Xeneta said.

A record 47 containerships were waiting for berths off Long Beach and Los Angeles on August 30, for example, and while the Meishan terminal at Ningbo has reopened, there are still delays in getting containers through the terminal.

"While we can't be certain of a repeat of the astronomical monthly increases the industry has grown accustomed to, further gains are certainly not of the question," Mr Berglund said. "There's still a dearth of equipment, high demand and, worryingly, very congested ports that are choking up the supply chain for shippers and retailers."

In Europe, Maersk is advising customers of wait times up to 10 days at Antwerp, while Hapag-Lloyd reports that voyage delays have tripled in the first half of 2021 compared with the same period last year.

A round trip between Asia and Europe was now taking approximately 100 days to complete, said Mr Berglund.

"With the holiday season logistical rush round the corner things may get worse before they get better," he said. "That will have an obvious knock-on effect on rates."

Xeneta's August's long-term XSI index showed import and export benchmarks edging upwards across all important trading corridors.

In Europe imports rose by 0.5%, while exports climbed 3.4%. Although the pace of growth has slowed compared to recent months, it still leaves the respective benchmarks up 123% and 49.1% year on year.

Results in Asia followed a similar pattern, with imports nudging up a further 0.8%, (up 50.5% since August 2020) and exports jumping by 2.5%, to take the annual increase to 115.5%.

Singapore and Queensland to vaccinate non-resident seafarers

31 Aug 2021 Declan Bush

QUEENSLAND's state government will vaccinate non-resident seafarers in the coming weeks as Singapore announced it would expand its seafarer jabs programme to non-resident crews.

Maritime Safety Queensland will start with "high-risk" vessels, then ships that visit Australian ports regularly, those that carry liquid fuels, and finally all other vessels calling at Queensland ports.

"International seafarers are the backbone of the economy, but a growing number of coronavirus outbreaks on vessels arriving in Australian ports highlights the need for urgent action to protect the health of these workers, reduce the risk of community transmission, and strengthen supply chain resilience," said International Transport Workers' Federation Australia coordinator Ian Bray.

The ITF called for the programme to be implemented Australia-wide.

Singapore's Maritime and Port Authority said it has started offering non-resident seafarers the Pfizer or Moderna vaccine — but said companies or individuals would have to meet the cost.

Those eligible included crews in Singapore with stays of more than 30 days, those who worked on board home-ported cruiseships, ships under repair in shipyards, and yachts at marinas used for events, cruises and private charter.

It also covered fishing crews, ship supply vessels, and regional ferries which entered and left Singapore's waters at least once a month.

The MPA said more than 90% of Singapore's maritime workers and seafarers have been fully vaccinated.

US ports to reopen after assessing hurricane impact

31 Aug 2021 Eric Watkins

THE Port of New Orleans said it avoided any serious damage from the impact of Hurricane Ida.

The weather system halted container terminal and breakbulk operations on Monday as it whipped the Louisiana coast with torrential rain and heavy winds.

"Port NOLA crews are assessing Hurricane Ida impacts," the port authority said in a statement. "Initial reports indicate no major damage to our facilities. "We are coordinating with navigation partners as well as local and state officials so we can resume operation safely and as quickly as possible."

New Orleans Terminal and Ports America ceased loading and unloading at the terminals and those operations will remain closed until further notice, the port authority said.

"Empire, Coastal Cargo, Gulf Stream Marine and Ports America for breakbulk operations will be closed until further notice," it said.

Nearly a dozen commercial shipping ports from New Orleans to Pascagoula, Mississippi, remained closed on Monday. The closures included Louisiana Offshore Oil Port, the largest privately owned crude export and import terminal in the US.

Other ports in southern Louisiana were closed including Houma. In Mississippi, the ports in Biloxi, Gulfport and Pascagoula and the Gulf Intercoastal Waterway were closed.

Hurricane Ida made landfall on August 29 as a Category 4 storm with maximum sustained winds of 150 mph.

The US Coast Guard ordered no vessel movement on the lower Mississippi River from the Gulf of Mexico to river mile 303, closing traffic to Baton Rouge at river mile 232 and New Orleans at river mile 100.

"The lower Mississippi River is by far the largest export region for soyabeans (61%) and corn (58%). Therefore, any lengthy disruption to export activity in this key region warrants our attention and concern," said Iowa-based Soy Transportation Coalition executive director Mike Steenhoek.

The US Bureau of Safety and Environmental Enforcement continues to work with offshore operators and other state and federal agencies following Hurricane Ida's passage through Louisiana.

It will continue until operations return to normal and the storm is no longer a threat to Gulf of Mexico oil and gas activities.

Based on data from offshore operator reports submitted to the safety bureau, personnel had been evacuated from 288 production platforms, 51.43% of the 560 manned platforms in the US Gulf.

Exxon Mobil Corp halted operations at its 520,000 barrel per day Baton Rouge oil processing and chemical complex because of a lack of power and raw materials, Reuters reported.

About 1.72m bpd of oil production and 2.01m cu feet per day of natural gas output remained offline in the US side of the Gulf of Mexico following evacuations at 288 platforms, it said.

The Bureau of Safety and Environmental Enforcement estimates that 94.60% of current gulf crude oil production — about 1.7m bpd — was still shut in along with 93.75% of natural gas production.

Personnel have been evacuated from all 11 non-dynamically positioned rigs working in the US Gulf. Seven of the 15 dynamically positioned rigs have moved off location out of the path of the storm, it said.

Once all standard checks have been completed, production from undamaged facilities will be brought back online immediately. Facilities sustaining damage may take longer to bring back online.

While several operators confirmed undertaking precautionary shutdowns of many refineries and petrochemical plants ahead of the hurricane's arrival, updates regarding current operations have yet to be concluded.

Grounded Navios bulk carrier refloated off Maldives

29 Aug 2021 Nigel Lowry

A NAVIOS supramax bulk carrier has been refloated after running aground on a reef in the Maldives earlier this month.

Tsavliris Salvage handled the operation under a Lloyd's Open Form contract and enlisted waste management specialists Polyeco to transfer potential pollutants on board *Navios Amaryllis* (IMO: 9423487).

The salvage contract included a special compensation protection and indemnity club clause, or Scopic, that guarantees a salvor's costs are reimbursed and a 25% uplift.

Prior to towing the vessel off at high tide on August 29, an estimated 1,500 tonnes of low-sulphur fuel oil, gas oil and lubricants were transferred to topside tanks to reduce the risk of pollution.

A Tsavliris spokesman said the operation went smoothly.

No oil has been reported spilled during the grounding or the salvage operation.

Tsavliris had mobilised the 150 tonnes bollard pull salvage tug *Virgo* (IMO: 9276676) from Sri Lanka and this was used to attach to the stern of the casualty.

To avoid damaging the Rasfari reef during the refloating, a smaller tug was also used to ensure the vessel exited by the same path it took when grounding.

The Maldives National Defence Force said that the vessel remained under detention on Sunday, pending the outcome of an investigation, but that the owner had an option to post the equivalent of $6.5m, the highest fine for environmental damages under Maldives law, so that the vessel could depart.

The 2009-built *Navios Amaryllis* is in the fleet of US-listed partnership Navios Maritime Partners and is entered with the North P&I Club.

It had been on its way from India to South Africa in ballast when the incident occurred.

Nigerian refinery to have 'major impact' on tanker market

30 Aug 2021 Inderpreet Walia

THE product tankers market faces potential disruptions from a new oil refinery under construction in the Lekki Free Zone on Nigeria's coast, according to Poten & Partners.

When commissioned, the Dangote refinery will dramatically change the crude oil and refined product balances in the country and the wider West Africa region, said the brokerage's analyst Erik Broekhuizen in a report.

"This will also have a major impact on the tanker market," he added.

The facility, situated about 30 miles east of the commercial capital of Lagos, is owned by Nigerian business magnate Aliko Dangote.

Plans for building the refinery were first unveiled in 2013, but significant construction began only in 2017 and the earliest commissioning date for the facility is said to be in early 2022.

According to Dangote's website, the 650,000-barrel per day refinery will be able to meet the entire need for Nigeria's refined products and will have a surplus available for export.

The company claims that the plant will yield 327,000 bpd of gasoline, 244,000 bpd of gasoil or diesel, 56,000 bpd of jet fuel or kerosene, as well as 290,000 tonnes per year of propane or liquefied petroleum gas when running at full capacity.

The Nigerian National Petroleum Corporation recently announced that it will supply 300,000 bpd of crude oil to the upcoming refinery.

Mr Broekhuizen said that once the Dangote refinery is fully operational, Nigeria's crude oil and product flows will "change dramatically."

At present, Nigeria exports almost all its crude oil because none of its domestic refineries are currently operational.

The export went to a diverse group of countries, both in the Atlantic Basin and the Pacific on the spot market.

In 2019, Nigeria sold about 2m bpd of crude with about 900,000 bpd, or 45%, going to Europe and a further 178,000 bpd to the US east coast. Some 545,000 bpd were shipped to Asia while the rest went to the US west coast, according to Poten's estimates citing Lloyd’s List Intelligence data.

Biden appoints envoy to tackle US port congestion

31 Aug 2021 Eric Watkins

JOHN Porcari, a former department of transportation secretary, has been appointed as “port envoy” by President Joe Biden to tackle congestion at US ports.

Disruptions in global shipping and rapid shifts in demand have led the cost of shipping containers between China and the US west coast to grow more than 90% compared with 2019, the White House said.

“This congestion is being felt particularly acutely at the ports of Los Angeles and Long Beach, which together handle the largest share of containerised cargo moving through US ports,” it said.

Port workers and terminals have handled containerised cargo volumes that rose 40% in the first half of the year compared with the same time last year.

Mr Porcari, who has been appointed to the Supply Chain Disruptions Task Force, will work with ports to address the backlog and associated delivery delays and product shortages being experienced by American consumers and businesses.

The Marine Exchange of Southern California reported a record 46 containerships at anchor or drifting and awaiting a berth on August 30, including 13 mega containerships over 10,000 teu — two of them waiting at anchor since August 13.

Between now and October 8 a further 56 containerships are expected to arrive at the San Pedro Bay ports of Los Angeles and Long Beach, Marex said, noting that 26 of them — or nearly half — would go straight to anchor to await a berth.

“The pandemic has fundamentally disrupted our supply chains which is impacting consumers, workers and businesses across the country,” said Mr Porcari.

“I am excited to hit the ground running and get to work immediately with industry, labour, and other port stakeholders to address these challenges and to build a more resilient, future-facing supply chain that powers our economy into the future.”

As deputy secretary and chief operating officer of the Department of Transportation in the Obama-Biden administration, Mr Porcari was directly involved in overseeing port, intermodal, maritime policy and maritime-related competitive grant programmes throughout the country.

He is president of Axilion Smart Mobility, which delivers AI-based transit and traffic solutions that reduce emissions and congestion and improve safety.

He is also a former Secretary of Transportation for the State of Maryland and chairman of the Maryland Port Commission, initiating efforts that boosted prospects for the Port of Baltimore in ro-ro and containerised shipping.

Mr Porcari will work closely with Secretary of Transportation Pete Buttigieg and Brian Deese, director of the National Economic Council, to address the congestion at US ports.

"Our country's ports are the gateways for getting goods to market, which makes the appointment of John Porcari as ports envoy an especially important step forward in alleviating these disruptions that are impacting consumers, workers, and businesses alike," said Mr Deese.

Mr Buttigieg said the Biden-Harris administration is using a "whole of government approach" to work with labour and industry leadership to identify, reduce and eliminate maritime supply chain issues.

"Envoy Porcari's leadership in both the public and private infrastructure sectors make him uniquely qualified to work with stakeholders and federal agencies to address supply chain disruptions," said Mr Buttigieg, who leads the task force focus on ports and trucking issues.

Since the launch of the Task Force in June, DoT has been engaged in "extensive outreach and engagement" with port stakeholders including virtual round table held in July with representatives of all aspects of the ports' supply chain.

The department has held talks with unions and other organisations, including the World Shipping Council, the National Retail Federation and the Federal Maritime Commission, about the "current challenges" in cargo movement and "opportunities" to improve data sharing.

DoT leaders have also been on the ground visiting ports to discuss supply chain disruption issues in Baltimore, Seattle and New York.

The investigations have found that the challenges at US ports require dedicated focus by experienced, senior leadership to drive toward outcomes that will reduce congestion, improve operations, and set the country on a "sustainable path" for the future.

NAVIOS AMARYLLIS (Panama)

Vessel ran aground NUC in pos 4 24 18N 73 20 59E, 16.9 NM from Male Maldives 19 Aug 2021. Environment Protection Agency said it grounded on K.Rasfari reef can depart after paying deposit of 100 Million MVR. Successfully refloated 29 Aug.

30 AUG 2021 London, Aug 30 -- A press report, dated Aug 29, states: Bulk carrier *Navios Amaryllis* : The vessel was successfully refloated on Aug 29, after running aground on a reef in the Maldives ten days earlier. Tsavliris Salvage handled the operation under a Lloyd's Open Form (LOF) contract and enlisted waste management specialists Polyeco to transfer potential pollutants from the vessel. The salvage contract included special compensation protection and indemnity club clause, or Scopic, that guarantees a salvor's costs are reimbursed and a 25% uplift. Prior to towing the vessel off at high tide on Aug 29, an estimated 1,500 tonnes of low-sulphur fuel oil, gas oil, and lubricants were transferred to topside tanks to reduce the risk of pollution. A Tsavliris spokesman said the operation went smoothly. No oil has been reported spilt during the grounding or the salvage operation. Tsavliris had mobilised the 150 tonnes bollard pull salvage tug *Virgo* from Sri Lanka and this was used to attach to the stern of the vessel. To avoid damaging the Rasfari reef during the

refloating, a smaller tug was also used to ensure the vessel exited by the same path it took when grounding. The Maldives National Defence Force said that the vessel remained under detention on Aug 29, pending the outcome of an investigation, but that the owner had an option to post the equivalent of $6.5m, the highest fine for environmental damages under Maldives law so that the vessel could depart.

28 AUG 2021 London, Aug 28 -- A press report, dated Aug 27, states: Bulk carrier *Navios Amaryllis* : The Environment Protection Agency has said *Navios Amaryllis* , still grounded on K. Rasfari reef can depart from the Maldives only after paying a deposit of 100 Million Maldivian Rufiyaa. The agency wishes to assess the damages to Rasfari reef before the vessel is allowed to sail. If the vessel wishes to depart before the damage is assessed, a deposit of 100 Million Maldivian Rufiyaa must be paid. If the damages are less than the deposit amount, the difference will be returned to the vessel's owner. 100 Million Maldivian Rufiyaa is the highest amount that can be charged as a fine for damages for environment-related offenses. Two 50 and 150-tonne tugs have been brought to the Maldives for the vessel refloating operation. Other equipments needed to ensure the safety of the delicate reef during the refloating process have been brought from Dubai and Mauritius.

25 AUG 2021 London, Aug 25 -- A press report, dated today, states: Bulk carrier *Navios Amaryllis* : Tsavliris Salvage has been contracted to refloat bulk carrier *Navios Amaryllis* that went aground on a reef off the Maldives on Aug 19. Lloyd's Salvage Arbitration Branch reported that the Greek salvage company was appointed under a Lloyd's Open Form (LOF) contract. The contract incorporates a special compensation protection and indemnity club clause, known as SCOPIC. Two Sri Lanka-based tugs, *Virgo* and *Maha Mewa* , are in attendance according to AIS. The vessel is in a stable condition. Preparations are being made to refloat the vessel, which is aground across its full length, sometime next week. Marine environmental protection company Polyeco has been brought in to assist in the salvage operation because of the environmentally sensitive location. The salvage is being planned in cooperation with the local authorities.

WONDER OF THE SEAS (France) (Newbuilding cruise ship at St. Nazaire)

Fire broke out in 5-sq-m electrical cabinet on board, at Atlantic shipyards, St. Nazaire, France, on 28 Aug 2021. 48 firefighters brought fire under control.

30 AUG 2021 London, Aug 30 -- A press report, dated Aug 29, states: Passenger (cruise) *Wonder of the Seas* (228199 gt, built): A fire broke out on board the vessel, at the Atlantic shipyards in St. Nazaire, France, at around 2315 hrs, Aug 28. It has been reported that, the fire broke out in an electrical cabinet, located in a room measuring five square metres. Forty-eight firefighters, including a team specializing in interventions on board ships, were dispatched to the scene to control the fire. It was brought under control and surveillance was put in place overnight.

[Note: According to Lloyd’s List Intelligence AIS, passenger (cruise) *Wonder of the Seas* , was underway in position lat 47 07 42N, long 002 21 31W, 11.1 nautical miles from St. Nazaire, France, Speed over ground 11.2 knots, at 1503 hrs, UTC, Aug 24.].[(Trails before fire)