DECEMBER 2012 ISSUE

- Christmas On Board
- Cashew Nuts from Guinea Bissau
- Raising Awareness of Ship Energy Efficiency
Welcome to the winter edition of The Crow’s Nest.

The shipping industry is going through some tough times and it seems that next coming 12 months will not offer much room for improvement.

Consolidation is one of the phrases that is hailed these days as THE way to deal with the effects of an crisis that is lasting already for four year. Regrettably it is commonly mistaken with efficiency, and only the latter will enable companies and vessels alike, to optimize respectively maximize in times of anemic freight revenues.

The Thomas Schulte Group had a clear philosophy from the outset, it’s 25th anniversary nearing in January 2013. Accordingly, Efficiency and Quality Management go hand in hand, but keeping the equilibrium between the two requires the fine tuning of a very qualified crew, on board just as much as ashore! The groups proven track record of the various performance indexes is second to none and in dire times like these, provides welcome alternatives.

Over the years, we have carefully built a network covering almost all shipping related services and within a short time we will have closed that circle. This will require certain adjustments in the corporate structure but we will keep all our partners and clients well informed about the upcoming changes.

I would like to express my sincere dedication to the entire crew on board the fleet and the shore staff, for their continuous support and valued input and wish all a merry Christmas time and a happy and prosperous new year.

Alexander Schulte
A few hours ahead of schedule, 4,250 TEU containership BEATRICE SCHULTE arrived in the port of Hamburg. Business as usual was planned for the call: discharging and loading of containers - some spare parts were due to arrive. Some of the crewmembers were looking forward to paying a visit to the famous international seamen’s club “Duckdalben”. Once BEATRICE SCHULTE was moored at the pier, the watchman assumed his position at the gangway to control the permit of every visitor to the vessel.
While the Chief Mate routinely prepared the ship for loading and discharging operations and the Captain completed the finishing touches on the vessel’s bridge, the first visitors were climbing up the gangway. The watchmen immediately guessed what was to follow: Port State Control, PSC inspection. Every morning the PSC officers check the incoming vessels in an internal database and choose the one to be inspected. Today, two officers had selected BEATRICE SCHULTE for an unannounced safety inspection.

The watchman verified the passports, handed out visitors’ cards and informed the Captain and watch officer via portable radio. Accompanied by a crewmember, the inspectors started their work in the ship’s office. They interviewed the Captain and reviewed all crew and ship’s certificates including the Certificate of Registry up to the Master’s Certificate. The documents provided proof that all the important inspections were conducted on board BEATRICE SCHULTE and that the crew hold the required licences.

An unannounced inspection means additional work for the ship’s crew; however, with close control and good management of day-to-day ship operations, everybody on board knew that the PSC inspection would be resolved smoothly. Moreover, the crew facilitated the procedure as they were absolutely aware about the fact that PSC inspections significantly improve safety at sea. Since the PSC was introduced in 1982, Captains and crews have had in-depth knowledge of the issues of the system.
The PSC officers continued to check all logbooks that are mandatory on board and have to be filled up accurately: first of all, the famous deck logbook and secondly all radio traffic had to be kept in the radio logbook. But much more was to be examined, i.e. disposal of garbage and oil in accordance with international regulations.

A technical inspector of the Reederei Thomas Schulte head-office in Hamburg arrived to support the Chief Engineer when the inspection schedule divided the group into two teams. The engine team guided the PSC officer through the engine room to detect oil leakage or machinery defects. The nautical team accompanied by the nautical officer went on the bridge to have a close look at the navigational charts and all emergency plans. Finally all safety equipment and deck facilities were examined.

In the end the officers found it - the certificate application to the flag state of the chief cook had expired. The valid document was still missing. However, through just one phone call later, the Superintendent was able to confirm that the certificate in question was due to arrive shortly on board BEATRICE SCHULTE.

In case of major deficiencies, the PSC officers would detain a vessel until all faults or malfunctions were cleared, and would make an entry in the database. They would fix a shorter period until the following inspection.

BEATRICE SCHULTE and her crew were successful and lucky. Due to the fact that the cook’s document was en route, the Port State inspectors agreed that no record was to be made. Seafarers of the ship went to enjoy “Duckdalben” and, despite a slight delay, the vessel departed the next morning heading for the Port of Singapore.
As a common practice for many years, strong efforts have been made on all Reederei Thomas Schulte vessels to strengthen the awareness of people at sea and ashore to integrate environmental-concern considerations into their everyday working practice. The company promoted the development of a widespread safety culture and environmental conscience among all staff. Today everybody clearly knows what is possible and what is demanded.

Raising Awareness of Ship Energy Efficiency
The amendments to MARPOL Annex VI Regulations for the prevention of air pollution from ships, scheduled to enter into force on January 1st, 2013, introduce regulations on energy efficiency for ships on the basis of the Energy Efficiency Design Index (EEDI), for new ships, and the Ship Energy Efficiency Management Plan (SEEMP) for all ships. The third part of the toolkit for ship-owners is the Emergency Efficiency Operational Index (EEOI).

**EEDI**
The ship building industry faces enormous design challenges to gradually install ever more energy-efficient and less polluting equipment and engines. The target is a significant reduction of CO2 emissions over the next decades, with the implication of reduced fuel consumption in relation to the transport work. The predefined formula leads to an Energy Efficiency Design Index (EEDI) requiring a limited CO2 emission level per design tonne of cargo and nautical mile in relation to the ship’s deadweight. EEDI is applicable to different ship types and size segments, and uniformly comparable for all new ships. Ship designers across the globe have to improve the EEDI for all new ships above 400 gross tonnes by 30% until after 2025.

**SEEMP**
Ship operators are required to develop and implement plans to maintain and improve energy efficiency in a cost-effective manner on all ships in service. The Ship Energy Efficiency Management Plan (SEEMP) is based on continuous analyses of operational data with impact on energy consumption, like routing, speed, hull and propeller maintenance, trim optimizing, rudder settings, machinery condition, and operational parameter maintenance, as well as electric power management. Growing professional competence to constantly increase energy-efficient operations within the Thomas Schulte Group over many years shows the expected success.
The Emergency Efficiency Operational Index (EEOI) offers a monitoring tool to consistently reflect the CO2 emissions in relation to the transport work of each ship. Unlike the EEDI, the EEOI indicates de facto figures of transport work and does not refer to a ship’s size in terms of deadweight. This allows for evaluating the augmentation of operational efficiency over time and benchmarking with other ships.

In order to obtain the most reliable real-time figures to calculate the EEOI the Thomas Schulte Group has developed and implemented sophisticated online software tools for measurements and monitoring. As energy efficiency does not only depend on fuel consumption for propulsion, many other consumers are closely looked at like engine peripherals, thrusters, air condition, lighting or ventilation. Saving emissions goes far beyond the regulatory requirements and has been certified in accordance with the ISO 14001 environmental management standard since 2006.

We take pride in far-reaching efforts in terms of energy-efficiency improvement within the Thomas Schulte fleet that are widely acknowledged.
Proper Insurance Coverage for Modern Perils of the Sea

Ever since P&I Insurance and Classification Societies arose from the famous Lloyd’s Coffee House in London in the seventeenth century, national and international bodies have been trying to ensure that ships are as safe as possible, protecting life, property and the environment. Over the years, new rules, increasing standards and innovative designs of vessels have all grown from the same philosophy.

Once, perils of the sea were generally attributable to natural causes like strong wind and high waves. Today, ship-owners and crew must be clear about a lot of additional risks that seagoing vessels are exposed to during their many trips around the globe. Modern ships contain expensive property assets, which no doubt require awareness about a broad range of new challenges, while the elemental marine risks persist.

On board, a ship’s command and the crew play the leading role in proper day-to-day action and prudent safe navigation. All other risks beyond control of the crews have to be, as a general rule, subject to adequate insurance. The extent of the damages covered and the terms and conditions of the insurance cover are to be determined on the basis of proper evaluation and investigation. Particularly all measurements relevant to promptly bring back the vessel into service must have been underwritten to reduce the risk of disruptions to continuity. Different insurances are to be considered and compared to make the best possible choice out of the variety of coverage.
Third party liability is usually covered by the so-called P & I (Protection & Indemnity) Clubs which are mutual insurance associations that provide cover for their members, i.e. ship-owners and ship-operators. P & I Clubs are cooperative non-profit-making societies.

They were the first marine insurers in the 19th century besides mutual Hull Clubs. Their portfolio of coverage was enlarged continuously while the shipping industry was growing. Modern-day P&I Clubs not only cover collision damage or loss of cargo, they also include coverage for injury of crew and protect the ship-owners in case of environmental damage triggered by a serious accident at sea.

Safe operation and navigation of the ship require a sound hull and machinery. The proactive maintenance management and supervision program of Reederei Thomas Schulte aim to prevent errors before they occur. In the event of unexpected damage, risk is covered by approved insurers.

The group opted for a globally recognised insurance company, which is well known for excellent performance, treatment, and rating and covering an all-inclusive package, according to a German preferred notion of all-round assurance. The package explicitly excludes risks, ensuring that the coverage is clearly arranged. Reederei Thomas Schulte obtains a cost-effective and embracing hull and machinery coverage, including collision damage to vessels. Other insurance policies, on the contrary, need a detailed catalogue for covering specific risks.

In addition to both of the two key insurances, commercial interests must be covered. One of the most important commercial risk coverage is a Loss-of-Hire-insurance, underwriting the owner’s financial loss in clearly defined off-hire situations, if any, connected with unexpected idle time during operation of ships. Further insurance contracts cover the risk of war and warlike conditions, especially in the areas of the marine world where political systems are deemed unstable.

Reederei Thomas Schulte maintains good relationship with insurers and insurance brokers worldwide: long-term business partners help to manage exposure to existing and developing risks, granting competitive conditions to the group. The strategy is reflected in the prominent position of excellent track records of our fleet.
The 2.476 TEU containership ANTONIA SCHULTE, built in 2005, 33.836 tons deadweight, chartered by Maersk, was sailing the trade of Far East and West Africa when she received the sudden request to call at the port of Bissau, Guinea Bissau (West Africa) in June 2012. The call was a particular challenge to the ship’s crew, even though the vessel operated West African ports like Pointe Noire, Onne, Tincan and Dakar regularly: no tugs nor mooring boats at Bissau, not even fenders but strong currents in the vicinity of the berth. Moreover the political situation was supposed to be unstable. Should we really take the risk?

Cashew Nuts from Guinea Bissau

The 2.476 TEU containership ANTONIA SCHULTE, built in 2005, 33.836 tons deadweight, chartered by Maersk, was sailing the trade of Far East and West Africa when she received the sudden request to call at the port of Bissau, Guinea Bissau (West Africa) in June 2012. The call was a particular challenge to the ship’s crew, even though the vessel operated West African ports like Pointe Noire, Onne, Tincan and Dakar regularly: no tugs nor mooring boats at Bissau, not even fenders but strong currents in the vicinity of the berth. Moreover the political situation was supposed to be unstable. Should we really take the risk?

Tricky Harbour – Upmarket Cargo

To avoid any conceivable danger, we consulted the P&I Club in order to use their pool of information about port conditions around the world. Indeed, according to the P&I-evaluation there was no particular safety or security threat to calling at Bissau Port. The current political situation at the time was confirmed as being calm. Port operations and business were not in jeopardy, in other words: Bissau had to be handled with care.

The Master and crew of ANTONIA SCHULTE met the navigational challenge excellently, immediately facing the next problem to be solved: the loading of 13,000 tons of cashew nuts in containers, destination Cochin, India. The South Asian country is the top importer of the valuable cargo.

Shipment of the stone fruits from the cashew tree with a high oil-content of 45 to 50 % is demanding: the nuts continue to produce metabolites after harvesting. The commodity absorbs oxygen and emits carbon dioxide (CO2). Worse yet, the tasty nuts tend to self-ignite, meaning that particular temperature and humidity limits as well as ventilation conditions are essential. Moreover cashews are prone to pest infestation of various kinds of beetles and damage through mildew. Most importing countries request a plant health certificate.

The nut is removed from the cashew apple after harvesting.

The nut is removed from the cashew apple after harvesting.
Prices for Cashew Nuts Plummet

Cashews are particularly important for the Guinean economy. The country achieves 85% of its export revenues exporting the crop and is the world’s fourth largest producer. The vital impact has come under threat since India increased its domestic production and is now beating down the prices.

Before the military coup in April 2012 the government had fixed the reference price for growers for 1 Kilo of cashews at 250 West African Franc (CFA), or 0.50 US-Dollar approximately. After the putsch this benchmark price was no longer respected and prices plummeted by more than a half to 100 CFA, or 0.20 US-Dollar. Hence some 120,000 tons of cashews are now stockpiled at the port of Bissau waiting for buyers.

More than 90% of the population make their living from agriculture, cultivating rice, corn, millet, sugar cane and, predominantly, cashew nuts. Therefore the price erosion will have severe consequences for the rural poor and the economy as a whole. Hardship is poised to grow.

Stowaway on Board

Grinding poverty and lack of future prospects might have forced a 15 years old boy to decide to leave the country, seeking a better live somewhere else. Bypassing all controls, he managed to sneak on board of ANTONIA SCHULTE as a stowaway. During the set of scheduled searches for stowaways conducted on 10th June 2012 – shortly before the vessel left the pier – he was not found.

The next day, when the vessel had left the Guinean coast 200 Nautical Miles behind, he was discovered hiding in a void space above the fuel deep-tank. The Quality Department of Reederei Thomas Schulte instructed the master to turn around and bring him back instantly. At the pilot boarding point of Bissau, Ponta de Caio, the young man was surrendered to the national authorities.

Guinea Bissau is one of the poorest countries in the world. Nearly all of the industrial goods have to be imported and the national manufacturing is limited to small-scale production of construction materials. When the colonial power Portugal had retreated in 1973, the economy was on its knees. Following this, Guinea Bissau has been repeatedly affected by political corps and suffers from corruption and instability. During the civil war of 1998/99 many existing factories were destroyed.

On April 12, 2012, the government of Guinea Bissau was overthrown by a military putsch. The interim government appointed a few days later, was not acknowledged by the European Union nor most worldwide democratic states. The African Union excluded Guinea Bissau from the 54-member bloc. Having been plagued by poverty and neglect, it is not surprising that Guinea Bissau is a haven hub for drug trafficking.
The 24th of December is the day when accommodation areas are decorated traditionally with artificial Christmas trees, colourful posters and other accessories to adorn the areas, providing Christmas ambiance on the vessel. Sometimes a disco-light serves best.

To many people around the world, the dinner is the highlight of the evening. On board a vessel, a variety of traditional Christmas cuisine must be provided with the crew made up of numerous nationalities.

The tables are nicely set and covered with traditional Christmas dinners from all around the globe. Cook and galley crew did their very best to ensure that fellow crewmembers enjoy the dinner: suckling pigs are served, simply grilled on huge skewer, and accompanied by fried turkey as well as special spicy Asian and sea foods, such as grilledawns in chili or a sweet and sour sauce.

Dinner normally starts with a welcome address from the Master, after which everybody enjoys food and drinks and during dinner, with funny and memorable toasts made during dinner — sometimes there are many toasts, however, the best toasts are, in a word, brief.

After dinner, the party starts. Crewmembers become part of the show and are soon on their feet singing along and having pure party fun. As a tradition, karaoke-singing, playing the guitar and dancing are king. When the ship passes through tropical latitudes, it will be warm on the boat deck and the crew celebrates round the artificial Christmas tree wearing shorts and flip-flops.

Crewmembers hope for the perfect Christmas passage when they are on board. Why? Have you ever thought about what it is like to celebrate Christmas thousands of miles away from home? Crews on bulk carriers, container ships and others must cope with that, year after year. It is just hard. And it is even harder if the vessel passes congested waters and piracy areas. Happy are those on a ship calmly sailing into the great wide ocean.
But how about a Christmas gift? To be honest, who wouldn’t like to enjoy unwrapping a present? Of course, gifts are not missing on board. Small personal gift sets are given to each of the fellow crewmembers. This can be done using the welfare, reefer or container un/lashing funds. A free calling card is a desired Christmas gift, providing the missing link of enjoying Christmas time and feeling at home.

A couple of days ago, I talked to one of our captains and he told me that this year will be the first Christmas which he has spent at home with his family after six years at sea. He really could not wait for it to happen. The glare in his eyes when talking about the approaching Christmas Day communicated more than words could even dream of doing.

However, work on the vessel continues and there are many jobs to be done. Not all crewmembers can attend the festivities from the very beginning. All staff are required to celebrate in shifts and some have to join the party later on after work. In fact, most of the schedules of cargo vessels do not care about celebrating Christmas, so on these vessels daily business leads the way.

Crews are lucky when the ship is on a calm ocean passage far away from congested waters and piracy areas. This is one of the few opportunities to enjoy and, moreover, to meet the colleagues. Christmas time on board can help crew members to understand each other, gathering around the table with fellow servicemen in a nice atmosphere and enjoying a sit-down meal, with the added pleasure of a party afterwards, where neither origin, religion or customs make a difference. Here, the words of the international choir show “We are the world, we are the children” becomes action.
Risk assessment is a vital tool. We have to identify potential dangers and to analyze what could happen before a hazard occurs. Our goal is to prevent any incident from happening. We take all necessary precautions, such as wearing the appropriate Personal Protective Equipment, using the right tools in the right manner, and establishing and following detailed passage plans.

Obviously Reederei Thomas Schulte strives to protect vessels, crew and the environment. The GL ISO 9001 and 14001 Certificates and the GL Certificate of Excellence give documentary evidence that all departments of the company, including new build, operations, crewing, and quality, as well as the fleet managers and superintendents, aim to achieve the highest safety standards.
However, a zero-risk world does not exist. Shipping in particular involves inherent natural and technical risks. Despite all our best efforts, accidents may still occur, so we have to be prepared.

Oliver Kautz, Quality Manager of Ocean Shipmanagement GmbH, explains the steps that must be taken to prevent a worst-case scenario.

Crow’s Nest: Mr. Kautz, what has Reederei Thomas Schulte achieved in anticipation of the event of an emergency situation on board a vessel?

Oliver Kautz: Readiness makes all the difference. The technical superintendent receives an immediate emergency call from the ship. He is familiar with an Emergency Questionnaire and responds quickly, processing the appropriate questions on the checklist.

But first of all, emergency drills of crew and shore-side personnel at proper intervals are crucial. Those affected by an incident must always be conscious of what is expected of them and the function they serve. We carry out regular monthly training in this under real conditions. The drill is a supervised exercise and involves deployment of equipment and personnel.

CN: What happens in the head office?

OK: The Emergency Response Team (ERT) gets to work immediately. With the Managing Director as Team Leader, technical superintendents, technical assistants, crewing department and the quality manager are assigned various responsibilities. Each person can take over a defined area in the event an emergency does arise.
CN: How would you cope with extreme emergencies such as dangerous cargo fires or oil pollution?

OK: We maintain a continuous contract with a dangerous goods specialist with comprehensive knowledge of all dangerous goods shipped around the world, and we employ oil spill experts. Their subcontractors are removal organizations skilled in averting or mitigating impacts on the environment. Some events occur without warning. Our contracts with classification societies regarding emergency damage stability calculations enable us to know whether a vessel is in real danger, so that the crew would have to abandon the ship.

CN: How do you ensure effective preparedness and abilities in the headquarters?

OK: Once a year, Reederei Thomas Schulte conducts a comprehensive drill in the offices, simulating real emergency scenarios. The colleagues exercise the operations to be addressed for communication and requirements. Training is essential so that people always know what action has to be taken and are familiar with their role and responsibilities. The drills are supervised and assessed by the class society in order to continually improve our response action plans. Every potential emergency event is taken very seriously because it could result in a worst-case scenario. Full safety and distress operations are triggered. Downgrading full response when we bring the situation under control is far easier than upgrading efforts if the situation deteriorates. That way we are always ready for action.

CN: How do you ensure that you have the right response at the right time for any particular incident?

OK: We have to address each type of potential situation, which is likely to occur. We must know the risk and gauge the impact in advance. Specific emergency response plans are drafted, detailing certain reactions in the event of one emergency and others in the face of another, for example in case of fire on board or grounding. All plans are constantly evaluated and developed. During emergency drills the plans are reviewed and extended if necessary. Emergency planning includes the latest legislation, circulars of the relevant flag state and industry guidance for particular situations.

CN: What is best practice for incident response?

OK: Fortunately our number of incidents has been low for many years. We have never had anyone seriously injured. We are always prepared to act promptly, but our best accident response is prevention.
As was the case during the 10th Senior Fleet Officer Meeting of the last year, not only Captains and Chief Engineers were invited, but also the next command level, i.e. the 2nd Engineer.

Upon arrival at the Reederei Thomas Schulte premises, Mr. Jens Erfurt welcomed all our guests. Ms. Kathrin Pohl and Ms. Jasmin Rapprich had the pleasure of guiding the guests around the offices on the traditional introductory tour.

The first speaker of the day was Mr. Jörg Heuckeroth of BG Verkehr, Ship Safety Division, Hamburg, who picked up MARPOL 73/78 Annex 1 deficiencies and possible solutions.

After the first presentation our guests continued on their separate ways. Captains attended the Electronic Chart Display and Information System workshop at Furuno in Rellingen, whilst engineers attended an Alfa Laval Purifier Systems workshop at Alfa Laval premises in Glinde.
Mr. Lutz Wesemann of Ocean Shipmanagement GmbH closed the first day, discussing Environmental Management on board in light of ISO14001.

The second day started with separate workshops. The officers attended a presentation by Mr. Stephan Dimke of ChartWorld GmbH on Paperless Navigation, whilst engineers attended a presentation by Mr. Jens Kodowski of Sauer & Sohn regarding the importance of Compressors on board.

Ms. Suwarie Topaz and Ms. Marion Schmerer of Ethiopian Manning Agency directed the next meeting, providing background information as well as the prospects of the Ethiopian Cadets Programme.

After the lunch, Mr. John Murkett of Tindall Riley (Britain) Ltd. gave a lively presentation on P&I Insurance aspects.

The day finished with a meeting with Ms. Sigrid Gerth and the Marine Operations Team discussing actual chartering and operation issues.

Crewing matters were on top of the agenda on the third day. Representatives of Bernhard Schulte Shipmanagement, Hamburg, Mr. André Delau, Mrs. Nicole Gerbig and Ms. Sarah Hiller presented topics such as appraisal, relief planning and dismissal procedure to our guests.

Later in the morning the Technical Managing Director Mr. Frank W. Heidrich and our Fleet Manager Mr. Jürgen Broeschewitz proceeded to discuss the present performance situation. The currently difficult economic environment poses additional challenges to an effective and efficient operation of the fleet. It was thought vital for all personnel on board and ashore to ensure operations and maintenance according to the highest professional standards. Based on case studies everyone had the chance to learn about approaches and solutions for future tasks.

In the afternoon Mr. Volker Utzenrath of Exag GmbH, Lübeck, picked up topics of Hazardous Cargo and Shipboard Safety.

The 11th Senior Fleet Officer Meeting finished by providing constructive, open feedback about the current meeting. During the conference there were plenty of opportunities to gather with colleagues and attend a variety of rewarding presentations and discussions. In fact, lively discussions were held during the various workshops and presentations, giving our guests the opportunity to share knowledge and experience. Each day, attendees, Hamburg colleagues and invited speakers met to enjoy a truly tasty dinners in a relaxed atmosphere, allowing personal off-duty contact.

We thank our Captains and Engineers for being our guests. We would also, and above all, thank all of our external speakers for taking the time and making the effort. It was a great pleasure.