

Bunkers

The way forward for marine fuel sampling

Simple measures can be put in place to standardise testing system, writes **Rahul Choudhuri**

THROUGHOUT its 25-year history, the practice of bunker fuel sampling has often shown itself to be a messy and complicated business.

Bunker supply, on the whole, has evolved into a convoluted chain involving many parties. Perhaps for this reason, decisions on fuel sampling are influenced by the individual players' vested interests.

Contradictory as it may seem, with the implementation of Marpol Annex VI, the industry now urgently needs clearer direction. All parties in the bunker supply chain must specifically agree on common practices within the new regulatory framework.

Among these practices, sampling procedures remain a debatable issue.

DNV Petroleum Services, a leading provider of marine fuel quantity measurement services, has been monitoring the progress of major bunkering ports in coping with Marpol Annex VI.

The worldwide bunker sampling situation today can be summarised as follows:

- Singapore is the only bunker port that has a standard sampling methodology. There is talk of Gibraltar's intention to implement a similar sampling requirement under its bunkering code of practice, but whether this will be a port requirement remains unclear;
- In Singapore, custody transfer sampling, ie. sampling at the ship manifold, has been successfully enforced. However, CP60, the Singapore code of practice for bunkering, allows for alternative sampling at the barge side if there are physical limitations with the receiving ship's bunker manifold

or with the type of sampling equipment in use;

- generally, sampling is carried by the supplier mostly on the barge side. In one major bunker port, sampling carried out by suppliers at the barge manifold is de rigueur;
- less than 40% of bunker deliveries worldwide involve joint sampling at the ship manifold;
- in a major bunker port where joint sampling at ship manifold is not the norm, one supplier has recently indicated that it will accept ship manifold sampling, provided an independent surveyor is appointed, preferably acting for both supplier and receiving vessel. This suggests that positive changes are possible with better communication;
- in major bunker ports, suppliers are still taking non-representative samples in 5% of deliveries. This may be a spot sample or something prepared beforehand at the terminal. The situation is much worse in minor ports where improper sampling methods are used by the barges about 60% of the time;
- barges in minor bunker ports have improper sampling equipment in the majority of cases encountered by DNVPS. This could be due to poor understanding of sampling procedures;
- Following the implementation of Marpol Annex VI on May 19, DNVPS conducted a study on actual practices. With four major bunkering (A-D) ports included in the study, the company observed that:
- major port A requires the Marpol sample to be taken at ship manifold together with all other commercial samples;

- major port B allows the Marpol sample to be taken at ship manifold but suppliers take their commercial samples on the barge;
- major port C allows the MarPOL sample to be taken at either location;
- major port D allows only the Marpol sample to be taken on the barge and suppliers may charge extra for ship manifold sampling;
- in the minor bunker ports, the situation is much worse, with Marpol samples being taken only partially by the suppliers;
- not all major port suppliers are following the recommended Marpol documentation by stating the Marpol sample seal number on the Bunker Delivery Note;
- Not all minor ports are making an effort to follow proper BDN requirements under Marpol. DNVPS continues to see BDNs presented in obsolete formats;
- Generally, oil majors have demonstrated better documentation control for bunker deliveries.

Singapore, the world's biggest bunker port, warrants special attention.

To be considered valid under CP60 requirements, all samples taken during each fuel delivery must have their seal numbers entered on the BDN. This is irrespective of whether the samples have labels and other accompanying documents countersigned by both parties to support their authenticity.

DNVPS frequently receives samples from receiving vessels with seal numbers missing on the BDN. Why the ship staff has been unable to get the seal numbers entered on the delivery note is not fully known, but the supplier clearly has a role to play in ensuring

that seal numbers of all legitimate samples are accounted for.

Nevertheless, sample authentication should not depend solely on a single seal number. By requiring all sample bottles to be counter-sealed by both the receiving vessel and the supplier, we can perhaps control the incidence of sample tampering more effectively.

To ensure a smooth delivery in Singapore, ship operators must be aware that it is the supplier's obligation under CP60 to ensure all samples taken during bunker sampling are properly documented and have seal numbers recorded on the BDN.

The ship crew should also check that the sampling, sealing and distribution of sample bottles meet CP60 requirements. If this is not done, the ship master should report any supplier's non-conformance to the MPA.

For its part the MPA, in recent meetings with the industry, has also reiterated its commitment to continually improve practices in the local bunker supply chain.

Certain problem areas have been identified in bunker fuel sampling.

A good sampling location is one where a line sampler can be properly fitted at the manifold and where the crew can conduct the sampling process safely and monitor the progress conveniently during the bunkering operation.

Although many valid sampling methods and locations are available in the petroleum industry, DNVPS advocates continuous drip sampling at the point of custody transfer, ie. ship manifold.

Bunker fuel sampling today unfortunately remains con-



Choudhuri: advocating a fair system that benefits everyone.

strained by inconsistency in sampling location and the equipment used. In some cases, poor bunker manifold design prevents adherence to proper sampling procedures.

There is also little support for joint sampling, which would be equally beneficial to the receiving vessel and the supplying barge.

The presence of multiple samples in a fuel quality dispute blocks speedy resolution, while tampering and other forms of cheating are still prevalent.

Perhaps more disturbing is the possibility that loopholes in rules and regulations may be manipulated by those intending to cheat.

To remove ambiguity in bunker fuel sampling and promote universal practices, local port authorities must support the Marpol/MEPC sampling guidelines.

Ideally, only one sampling location should be adopted and a proper, continuous-drip line sampler used for every fuel delivery.

It would also help if both receiving vessel and supplier agree on one set of sample bottles for distribution.

Each sample bottle should be sealed and have its label signed by both the receiving vessel and the supplier.

Wherever required, the seal numbers of the fuel samples

should be entered on the BDN.

Lastly, port authorities will need to put in place strong deterrents to discourage fraud.

Having fair and transparent practices in place is the best way to assure fuel buyers that they get what they pay for. In return, the suppliers will also enjoy repeat custom. It's a win-win situation.

Rahul Choudhuri is regional manager of DNVPS Singapore and an expert on bunkering practices. For more information on bunker quantity surveys or other marine fuel management services, email singapore@dnvps.com.

Bunga Kasturi spurs VLCC upswing

A VERY large crude carrier fixture from the Middle East Gulf to Singapore has breached the W200 level and rates are expected to continue rising this week.

Rates for VLCCs are now well over the \$100,000 daily on all trades, certainly bringing some pre-Christmas cheer to tanker owners.

The *Bunga Kasturi* was

Tankers

By **Marcus Hand** in Singapore

reported fixed to Singapore refiner SPC at W205 for a voyage from the Middle

East Gulf to Singapore. On average, rates to Far East destinations from the Middle East Gulf were W180 and W145 for westbound voyages. East Africa to the US Gulf also remained tight, with rates at W185.

Brokers are expecting rates to rise further in the first part of this week, with W200 and more to all

destinations in the Far East driven by a tight supply of tonnage.

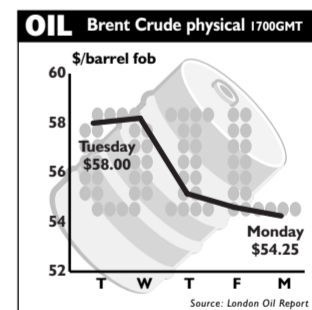
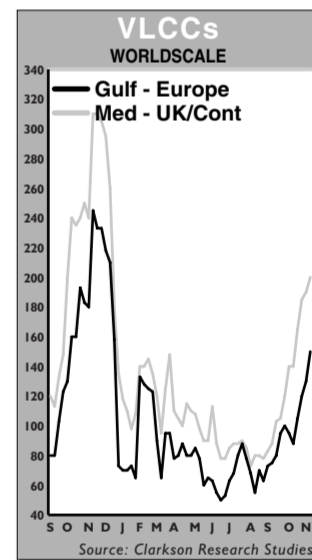
"With only 12 modern units potentially available within the next 30 days, owners will certainly be pushing levels higher in the coming week," EA Gibsons said.

Broker Barry Roghiano Salles note in its weekly report that some charterers

were seeking to hedge against further rises.

"Some of the big oil companies, anticipating a further rise, are taking forward their position on dates which are still to be confirmed by suppliers," the report said.

"This move is probably right, looking at the tonnage availability listed for December in this area."



BUNKER PRICES

	IF0380	IF0180	MDO	MGO
Fujairah	288.0	305.0	538.5	543.5
Houston	282.5	293.5	565.0	-
Rotterdam	251.0	270.5	460.5	520.5
Singapore	296.5	307.5	463.0	478.0

The above prices are based on indications for Nov 14 from the Lloyd's List Bunker60 Daily Brokers Panel. Lloyd's List Bunker60 does not accept any liability for the accuracy of this information.

www.lloydslistbunker60.com

BUNKERS

COCKETT INDEX	
Nov 14	1966.2 (-15.0)

The Cockett Bunker Price Index is based on weight-averaged liftings and actual current spot prices of the three main bunker grades at 35 world ports. Further information available at www.cockett.co.uk

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OIL PHYSICAL

(\$/bbl fob)	
Brent (physical)	54.25
21-day Dec	54.70
21-day Jan	56.00
WTI Dec	57.70
WTI Jan	58.50

PRODUCTS (\$/mt CIF ARA)	
Premium gasoline (15%)	496-502
Gasoil (EC)	526-530
Heavy fuel (3.5%)	244-250
Naphtha	468-474

Source: London Oil Report
Date: Nov 14

Panamaxes still beating the bird flu fears

PANAMAXES trading in the Pacific Basin have enjoyed a steady if unexciting week and a similar pattern is expected in the week to come, writes **Marcus Hand** in Singapore.

There was a small upturn in the Pacific panamax market towards the end of last week and some gains for owners were seen, with rates for a Pacific Northwest

DryTrade

round averaging around the mid \$16,000 daily level.

A reasonable level of fixing activity stopped a build-up of tonnage, putting downwards pressure on the market.

"It was a steady week in both the Pacific and Atlantic markets. There was reasonable, if not spectacular, levels of enquiry in both markets and a reasonably balanced tonnage list meant that rates moved little," commented Clarksons in a report yesterday.

At the top end of the scale the 2004-built, 77,834 dwt *An Ho* was fixed to

Hanjin Shipping for a voyage from Haldia to Japan at \$20,500.

Somewhat more typical of the levels being reported was 2002-built, 74,350 dwt *Poseidon*, which was taken by Noble at \$16,500 daily for a voyage from Singapore to Indonesia via Australia.

Short period continued to provide a positive pointer going forward

with rates averaging around \$20,000 daily for three to five months' trading.

More of the same is expected this week. One positive factor for owners has been that despite warnings that grain orders from North Asia could drop due to bird flu reducing demand, that situation has not yet transpired.

Fixtures from

The Baltic Exchange

SSY
Simpson, Spence & Young

recovery China, \$50,000 daily. (BHP Billiton)
C. Noble (158,537 dwt,

13.5/45.2L 14.2/45.2B, 1991-built) delivery ex dd Guangzhou Dec 1-5, redelivery worldwide, 2 years, \$29,000 daily. (Swiss Marine)
Nivos Orbiter (76,634 dwt, 14/36L 15/34B, 2004-built) delivery Singapore Nov 21-23, redelivery China, \$19,500 daily. (BHP Billiton)
Nord Sun (76,830 dwt, 14.5/34L 14.5/34B, 2004-built) delivery Pylas Nov 12-17, redelivery Singapore/Japan, \$26,000 daily. (Felicity Navigation)
Pythagoras (75,500 dwt, 14/33L(A) 15/33B, 2001-built) delivery Skaw Passero Nov 25-30,

redelivery Singapore/Japan, \$26,500 daily plus \$550,000 ballast bonus. (STX Panocean)
Luise Oldendorff (72,873 dwt, 14/32.5L, 1994-built) delivery Cigading Nov 20-25, redelivery China, \$20,000 daily. (Pacific Bulk)
Hanjin Tacoma (70,347 dwt, 13.5/32L 14/30B, 1994-built) delivery Brindisi Nov 17-20, redelivery Singapore/Japan, \$25,500 daily. (TMT)
President G (69,344 dwt, 13.5/28.5L 13.5/28.5B, 1988-built) delivery Amsterdam spot, redelivery Aughinish, \$20,250 daily. (Oldendorff Carriers)

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	14 Nov 2005	01-06	02-06	Cal 06
TD3 (VLCC AG/JP)		176.5	115.5	138.0
TD5 (Suez Wafu/USAC)		176.5	115.5	138.0
TD7 (Afra X Nsea)		168.0	125.0	142.0

All prices shown in Worldscale
For more information please visit www.imarex.com

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