



## 2014 ICS Examiner's Report

### TANKER CHARTERING (TKC)

#### **General comments**

This year, a number of answers clearly were not planned and lost marks as a result. Some papers lacked content indicating poor, if any, revision or possibly poor time management in the exam room. Those using the world map could have improved their marks by including correct names and locations of such things as capes, canals, oceans and continents, in particular those along the routes selected. In general vessel diagrams were somewhat improved but there is clearly some confusion regarding the relevant dimensions. Candidates should be aware that short answers and poor handwriting bring their marks down, frequently to a fail.

#### **Question 1**

The least popular question.

OCIMF Guidelines were not mentioned in many answers. Poor marks where the answer failed to mention important STS points, such as the provision of hoses, fenders and a mooring master. Often missed were bad weather, Notice of Readiness (NOR) tendering, laytime counting, supply of equipment and area for operation to be an authorised location.

Better answers mentioned completing discharging operations in port alongside. A number of answers drifted into explanations of voyage charters and Worldscale.

#### **Question 2**

A popular question, generally acceptable diagrams, but poor marks were due to: dimensions not given or wildly inaccurate, cofferdams between tanks and small diagrams drawn free-hand. Poor marks were awarded also for mentioning only a limited number of Suezmax trades, typically MEG/West via the Suez Canal. Maps were poorly labelled, and often omitted were: ocean names, capes, ports, weather and current patterns.

### **Question 3**

Most, but not all, answers mentioned period and quantity for a Contract of Affreightment (COA) but very few mentioned frequency and parcel size for the liftings. Many answers did not touch on any bunker escalation clause. Low marks were awarded where answers drifted off onto the terms of voyage charters, even time charters, not specific to a COA. Some answers did not cover the advantages and disadvantages to the owner or charterer.

### **Question 4**

The majority favoured arbitration proceedings but for some vague or spurious reasons they selected speed or low cost. Many assumed lawyers are not involved with arbitration proceedings. There was confusion as to when the venue for arbitration is decided, when dispute arises as opposed to being agreed in the charterparty.

The majority mentioned court proceedings but not mediation, or small claims procedures. Marks were awarded where it was suggested that the brokers themselves try to solve disputes. Some answered the question as one essay instead of both parts a and b.

### **Question 5**

Generally well answered but some did not explain CPP, Cont/USAC. Surprisingly few explained what the vessel would probably be on subs for. Many missed simple things from the explanation of what would be in a recap. These include freight rate, demurrage, charterers', owners' or brokers' names, domicile and time that subs are due to be declared. Other answers wasted time because they were too detailed. Poorly planned essays ran into general comments covering voyage charters as opposed to focusing on the on subs re-cap as asked for. Clearer presentation would assist with planning. Such answers indicated a lack of understanding of the process of fixing a ship.

### **Question 6**

Poorer answers were limited to one or two topics, such as ship supply and the price of crude. When Panama Canal widening was mentioned, details as to what is being done and which trades could be affected were often missing. Pipelines were frequently quoted as an alternative to sea transport, but overlooked the possibility that new trade routes could be created. Alternative sources of energy were frequently overlooked. Quoting historical examples such as the 6 Day War is not relevant to the current market as asked for.

**Question 7**

Many failed to draft a cleaning clause or there were poor attempts. These ignored initial rejection and the time limit allowed for cleaning after the first rejection. In the main, good marks were earned for good operational coverage of possible cleaning procedures. No cargoes were mentioned in the question, thus valuable marks were earned by those students who identified where tank cleaning was not required along with a cleaning procedure for specific last and planned cargo where tank cleaning was needed.

**Question 8**

A popular question which was not generally answered well. Many answers were lists; they were not logically laid out and were without explanations. Surprisingly omissions included: reply time, speed and consumption, delivery and redelivery positions and ports. Many listed what clauses are in a timecharter as opposed to the first offer. Again, planning the answer would probably have improved students' marks.