

Quantity & Quality Disputes

Introduction

A perennial problem with the oil shipping industry is that no-one wants to pay the price of a barrel of oil for the price of a barrel of water, or for cargo that cannot be entirely delivered, or for a fine chemical cargo that does not meet specification.

There are subtle variations in the characteristics of crude oils from different wells, and parts of the world, that have to be factored in to bulk transportation. Water contaminations and cargo retention disputes may seem relatively simple to resolve, but the nature of the cargo itself can play a key role. Equally, chemical cargoes can be especially demanding with respect to quality and their market value can be high, so problems can be costly. Our personnel have well over 30 years' experience investigating quantity and quality disputes.

Types of Losses/Shortages

Liquid cargo losses and/or shortages tend to be limited to crude oils and petroleum products (albeit shortages can occur with natural products, such as vegetable oils and molasses). APC deal with all aspects of liquid losses; on board vessels, in oil terminals, during

loading, carriage and subsequent discharge, whether by STS operations or transfer to/from shore tanks.

Such losses can be from one, or more, of the following sources:

- Mismeasurement of cargo & water, in shore tanks before/after loading
- Mismeasurement of OBQ residues, in cargo tanks, before loading
- Mismeasurement of cargo & water, in cargo tanks, after loading
- Apparent intransit losses of cargo, caused by previously unmeasured water settlement and/or evaporation of cargo lighter fractions on the loaded voyage
- Inadvertent leakage of cargo, whether on board, or ashore, or both
- Shoreline fullness mismeasurement, at start of discharge
- Mismeasurement of cargo & water, in shore tanks, after completion of discharge
- Mismeasurement of ROB residues, in cargo tanks, before/after discharge
- Paper losses caused by differing measurement & calculation procedures

Types of Contamination

Contaminations of other bulk product cargoes (such as gasolines, diesels, naphthas, jet fuels, gas oils & all liquid chemicals, transported in sea-going tankers), in the past, could be readily attributable to human error, in segregation on board, or leakage through poorly maintained vessel structures and equipment, or poorly presented vessel's cargo tanks containing residues of previous cargoes. While maintenance of vessels has improved over the years APC have been investigating such disputes, the specifications of these product cargoes has become increasingly complex and restrictive, so that even the smallest of errors can lead to a "contamination". Such contaminations can be very costly, especially where fine chemicals are involved.

We have many years of experience of investigating casualty claims, for contaminations from many different sources – not least from the intrinsic properties of themselves, as loaded.

APC deal with all types of liquid product and chemical cargo contamination (or quality dispute) caused by one, or more, of the following:

- Liquid contamination, by ingress of other liquid cargo, due to cargo valve mal-operation, or steel bulkhead integrity
- Vapour contamination, via onboard vapour lines, of volatile cargoes
- Loss of integrity of inert gas blanket and/or quality of the latter
- Contamination by past cargo residues, caused by poor cargo tank preparation and/or poor cargo tank coating condition
- Water contamination by fresh and/or sea water
- Inherent vice of the cargo
- Contamination, and/or loss of quality, caused by poor heating control, during the loaded passage and/or during discharge
- Specification and test method anomalies

E: <u>info@apclimited.co.uk</u> T: +44 (0)1444 412041

Suite 2, Lion House, Folders Lane East, Ditchling, East Sussex. BN6 8SG