

# STS clearance standardisation needed

Clearance requests addressed to shipowners on nominated vessels is standard practice from charterers when they plan ship-to-ship transfer (STS) operations.\*

This practice ensures that shipowners can decide on the suitability of nominated vessels and revert with their consent or rejection. Such clearance requests need to be diligently treated by tanker operators, justified on facts and procedures, since this provides a level of assurance on the compliance of the nominated vessel(s).

Verification of nominated vessels can include a wide range of criteria, such as the mooring arrangement and general vessel characteristics; however, vessel suitability can also be assessed through statutory status, classification records, insurance cover and past the past records of the tanker operator and crew experience.

The level of due diligence that a tanker operator has to exercise during clearance of nominated vessels is subjective and has not been specified. It depends on expertise, established STS policies and the availability of his/her resources to do so.

Liability concerns, have unreasonably led some tanker operators to request numerous documents and/or certificates, in an attempt to 'screen' nominated vessels.

This lack of consistency confuses charterers, since the different requirements from tanker operators complicate the fixing of vessels. The existence of established 'STS Clearance Policies', together with standardisation of the 'Operational STS Policies' from tanker operators, provides a solution towards accelerating the clearance process, which will reduce the work load of the staff ashore while protecting their interests and reputation.

The due diligence for each tanker operator is subjective and depends on the practicable possible standards that are determined by either:

- Statutory requirements<sub>1</sub>;
- Terms of insurance covers;

- Industry and commercial criteria;
- Provisions of charterparty<sub>2</sub>.

The standards are explicitly determined by these requirements. However, each operator, or STS stakeholder decides and implements a level of compliance, as shown at Figure 1.

Such level of compliance reflects the anticipated statutory and contractual conformity, risk exposure and reputation of the shipowner.

Tanker operators that adopt prudent procedures on STS safety issues for their shipowners, such as those described by the onlineSTS.net service of DYNAMARINE<sub>3</sub>, provide a level of assurance of undertaking in due diligence.

### Fulfill requirements

They fulfill the statutory and industry requirements and furthermore, support the interests of shipowners, charterers and cargo owners. Clients of onlineSTS.net service have a proof of their track record that strengthens their reputation and performance.

**Figure 1 note** - Resources, as shown at y-axis consist on experience, expertise and incurred costs, availability of information and shore personnel. The bars represent sets of adopted actions (policies).

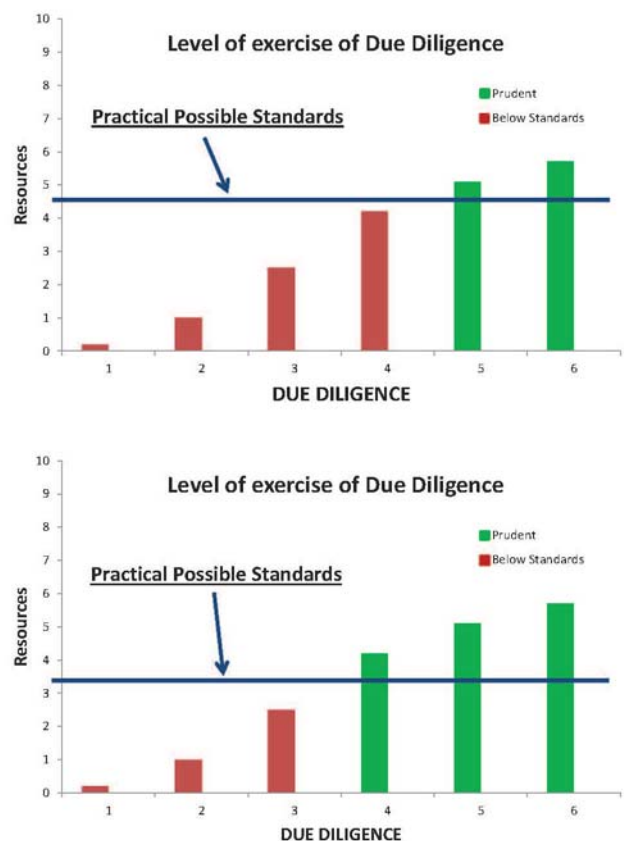


Figure 1: The level of due diligence exercised by tanker operators.

Tanker operators' liability when providing clearance to their charterer rests with the fact that they have accepted the suitability of the nominated vessel(s) for STS transfer, on the basis of presented documentary data.

According to most charterparty STS clauses, the final approval, prior to the undertaking of an actual operation, rests with the Master who supervises the operation and also bares full responsibility of compliance with safety.

Commercial complications can arise, should a Master decline a vessel for an STS transfer, once this had been previously cleared by the vessel's operator. The Master will have to present a strong case that is associated with

safety issues, which were not evident during the operator's clearance inspection.

Safe conduct of STS operations requires proper planning and prudent risk management from the operators. The shipowner and his Master need to have confidence in the competence of the service provider that has been assigned by the charterer, or the cargo owner.

The Achilles heel in STS operations is the fact that there is no direct contractual commitment between the involved parties; ie, both vessels and the service provider.

As the contract is between the parties involved and the charterer(s), the only tool that provides assurance for safety is the justified exercise of due diligence. In this respect the onlineSTS.net service of DYNAMARINE provides such turnkey solutions for all STS participants, it was claimed.

### Contractual commitment

The majority of STS transfers take place according to the OCIMF/ICS/SIGTTO guidelines. This is a contractual commitment between the charterer and shipowner, as well as between the charterer and the service provider. Thus, the charterer is the STS stakeholder that provides the assurance that the STS transfer will take place in accordance with the current STS guidelines. Shipowners and service providers have to comply; however shipowners are the only ones that provide the assurance on the basis of safety. For this reason, the charterer has to exercise due diligence to the best possible extent towards the selection of the service provider.

STS transfer operations are in the foreground, with the new STS guidelines published late last year (see Page 35) by Witherby with help from the CDI, OCIMF,

ICS and SIGTTO. These new STS guidelines are a consolidated edition and include oil, chemical and gas carriers involved in STS operations and embody the regulations of new MARPOL chapter 8 of Annex 1 that was implemented on 1st April, 2012.

### Practical differences

There are practical, as well as other important differences in the new guidelines and they have to be dealt with due care by tanker operators. The existing STS plans, already approved by the flag administrations before 1st April 2012, may not have to be amended but should be comprehensively reviewed in the light of the new guidelines since almost all charter party STS clauses<sup>5</sup> make reference to the 'Latest STS industry guidelines'.

Although STS transfer operations have proven to be safe operations, shipowners, tanker operators and other STS stakeholders should not rest only on the reputation level of the involved parties.

The number of STS operations has increased more than 1,000% since 2001 and the probability of a serious accident with evident damages to the environment, the ships and hence to the reputation of involved parties, is high.

Tanker operators endeavour to adopt STS policies at a level, which is comprehensive to their shore operators and simultaneously attractive to their commercial profile.

However, they should consider having their procedures in-line and above the best possible practical standards as determined by the up-to-date requirements, in order to support their reputation and exposure.

Continuous, justified and prudent exercise of due diligence from STS stakeholders is the only key towards maintaining high standard levels and onlineSTS.net service of

DYNAMARINE aims towards this, the company stressed.

TO



**Due diligence is required at all stages of an STS operation.**

#### Footnotes:

1. IMO Manual on oil Pollution, Section 1. 2. Latest OCIMF/ICS/SIGTTO STS Guidelines.
3. [www.onlinests.net](http://www.onlinests.net)
4. Regulation 42 of MARPOL Annex I Chapter 8.
5. Various charterparty STS clauses, such as BPTIME3 or SHELL TIME 4, refer to the latest OCIMF/ICS STS edition.

*\*This article was written by the OnlineSTS.net team*



**TeamTec**  
MARINE PRODUCTS

## Costs you less!

Team Tec Marine Incinerators for onboard waste oil and solid waste treatment and Team Tec Stripping Ejectors/Eductors in Ni-Al-Bz reduce your OPEX.

**When quality matters!**



WWW.TEAMTEC.NO

AVAILABLE - RELIABLE - ECONOMICAL