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TAKING STOCK: Strategic oil reserves

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Man and machine

Michael Green of Lintec considers whether the bunker industry's growing interest in flow meters will impact bunker surveyors

As a consumer, everyone has a set idea of exactly what they expect to gain from any physical transaction. Every consumer demands a high quality product at a fair price, but most importantly they ultimately expect to get what they pay for.

This is particularly relevant in a global marketplace where the financial climate is still in the early stages of recovery. The world of shipping is no different.

Low charter rates, increased levels of competition and high running costs mean that the art of balancing the books is paramount should any shipping company wish to stay in business.

In balancing the books, certain business requirements take precedence. In the case of the shipping industry, the purchase of bunker fuels is at the front of the queue. It may be fairly obvious to state that without the availability of the correct grade and quantity of fuels, vessel transit will cease. However, issues relating to both the quality and quantity of fuels supplied are commonplace throughout the industry.

Quality issues, although common, are regulated by the **International Organization for Standardization's ISO 8217** marine fuel standard which monitors the quality of all grades of fuel. In the majority of cases, issues relating to quality have little effect on the overall operation of the vessel and only very serious quality related issues result in severe operational difficulties, de-bunkering and additional cost.

Short supply on the other hand can have very severe financial implications, not only relating to the purchase of additional fuel but also in relating to the vessel's ability to reach its ultimate destination. Isolated instances of short delivery are often viewed as an occupational hazard but repeated short delivery, even if it is only in very small quantities, soon mounts up and becomes exceptionally costly. This, coupled with the prospect of deviations from timetables by slow steaming in an attempt to conserve fuel, can result in sizable financial losses.

In an attempt to prevent short supply, shipowners / operators have relied upon the traditional bunker quantity survey to determine the precise amount of fuel transferred. The physical transfer of fuel from one party to another has always raised questions regarding methods of transfer and, most importantly, whether or not the required quantity has been provided. Additional issues such as risk of contamination and the possible introduction of air into fuel to increase volume have made quantity surveys a pre-

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requisite for many buyers.

Bunker surveyors are often considered to be the eyes and ears of the purchaser; and their physical presence provides reassurance to owners / operators during the actual exchange of fuel. However, in an industry where change is constant, the idea of a traditional bunker quantity survey conducted by a bunker surveyor may now be redundant.

The introduction of flow meter technology begs the question – are bunker surveyors still needed?

On paper, the idea of a fast and accurate means for measuring transferred quantities of fuel does ultimately spell the end for attending surveyors.

Many individuals would seek to question the need for a physical presence if the application of a meter would guarantee a hassle free bunkering, but is the argument really this cut and dried?

Based on our own experiences we would suggest that it may not be this simple.

Whilst the merits of flow meter technology cannot be denied, we would seek to pose some questions regarding its specific applications and how it could be enhanced further.

The first question to ask would be – 'Whose meter do we use?'

This is probably the most important question as it will serve to polarise opinion.

Many parties would suggest that the flow meter should be positioned on the supply side as this will accurately measure the quantity of fuel that has been transferred to the vessel.

However, in the event of any discrepancy or suspected short delivery, a potential response from the delivery vessel side may be that the supplier's meter was not trustworthy and the quoted figures were incorrect. By that same rationale, any discrepancy noted when using a flow meter located on the receiving vessel may provide a similar response from the supplier.

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Other questions pertaining to such a situation may be: 'Who is responsible for the maintenance and calibration of the flow meter, how often is maintenance carried out and is there a log of the maintenance procedure that can be audited to ensure it has been carried out correctly?'

So, if the application of a flow meter on either side could potentially cause such disagreement the next question may be: 'Could an independent meter be employed?'

In theory, this would stand as a viable solution as no individual party would have a vested interest in the overall transaction. However, we would still be left with the issue of liability in case of suspected short supply.

Further issues to be considered may be whether the 'independent meter' would be looked after by a third party and whether it would be provided for survey operations at a cost that would be shared by the purchaser and supplier. If this were the case, would

the local port authority be responsible for regulating the use of the 'independent meter' and monitoring maintenance and calibration?

Having considered the points raised, we would seek to re-examine our original question regarding the need for the physical presence of a bunker surveyor.

As a company that provides survey operations in a number of countries worldwide, we view the combination of flow meter technology with the physical presence of a bunker surveyor as the ideal solution. The surveyor would be in a position to check all relevant logs, calibrations and maintenance had been performed and, ultimately, witness the whole operation.

This being the case, it seems that the application of both surveyor and meter will not only provide a fast and accurate measure of transfer but will provide the assurance shipowners require.

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