

Salvage-industry veteran Noble calls for rethink of LOF contract

John Noble says it is time to start from scratch and come up with a salvage agreement that is better suited to the modern shipping industry

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A series of major casualties has meant the opinion of salvage-industry veteran John Noble has been in high demand recently.

The former head of the Salvage Association is now an independent consultant. He has been providing expert comment to national broadcast media on high-profile incidents such as those involving the 51,770-gt *Hoegh Osaka* (built 2000) and 6,586-gt *Sewol* (built 1994)—and even possible underwater investigations linked to lost Malaysian airliner MH370.

He also has a lot to say about how the modern salvage industry can be improved. His starting point is the basic salvage contract, or Lloyd's Open Form (LOF).

HOTLY DEBATED ISSUE

The issue was recently hotly debated at the International Salvage Union (ISU)'s general meeting. Underwriters and owners are seemingly put off of LOFs by costly awards, while salvors are lamenting its demise and the lower returns of standard contract work.

Noble is of the opinion it is time to rip it up and start again.

"Nobody seems to like it [LOF]," he said. "The underwriters feel LOF awards are too generous. There has been tinkering but no one has the guts to say we need to start again. It is time the industry sat down with a clean sheet of pa-per."

Noble says there have been some improvements, pointing to the introduction of the SCOPIC Clause, in which he was closely involved in developing. Noble says it showed

that the industry can act on improving contract terms.

"There was a quick response by the clubs to come up with a simple system that everyone understands," he said.

The LOF system has been in place for more than 100 years but Noble suggests it does not suit the modern shipping industry.

Improved communications mean ship masters are more likely to contact shore for advice rather than immediately appoint a salvage tug under an LOF.

"Nowadays, the master will invariably ring the office in a casualty situation before a salvage contract is signed," Noble said. "Modern communication has simply made the LOF out of date."

He also suggests the shipping and salvage industries need to address the problem of investing in equipment that can handle the latest generation of mega-size ships. "In the past, when there have been problems, they have been able to cope," Noble said.

"But the reality of modern salvage is that the salvor often does not know what he will come up against.

"But now the biggest question is over whether the salvage industry has the capability of dealing with a 20,000-teu boxship or 400,000-dwt bulker, or even the largest FPSO [floating production, storage and offloading vessel] — and the short answer is that it doesn't."

He points out that there is equipment operated by the likes of Donjon Marine and Dutch crane operator Mam-moet Salvage that could possibly handle the largest ships but it has yet to be tested.

"It has been said before but the proof is in the pudding," said Noble, indicating that the industry will only know whether it can cope when there actually is a big incident.

While the sector has been able to deal with large-scale casualties such as the cruiseship *Costa Concordia*, the expense and time have been enormous.

Noble believes the *Costa Concordia* should have been cut up rather than refloated, saving time and money. Instead, the Italian government's choice was swayed more by economic factors, such as providing work for Italian engineering companies.

CONCORDIA IMPACT

Noble feels the enormous cost of the *Costa Concordia* salvage will encourage underwriters to make sure they are more influential in wreck-removal plans of future similar incidents.

The increasing influence of governments has also meant salvors are no longer able to carry out salvage work in the way they think is best.

"One of the biggest differences is that, nowadays, salvors have to negotiate with the authorities," Noble said. "That did not use to be the case in the 1980s; they were just left to get on with it."

That is not to say that some modern salvage legislation has not been successful, says Noble, pointing to the US Oil Pollution Act (OPA) of 1990, which he believes provides a good model for salvage and insurance preparedness around the world.

WHO IS JOHN NOBLE?

John Noble has worked in commercial shipping since 1962 and served at sea as a deck officer for Blue Funnel and Palm Line.

He obtained his Master Mariner's certificate in 1977.

BROAD EXPERIENCE

Later, he worked as a claims executive at Thomas Miller (manager of the UK P&I Club) and later set up the London office of Murray Fenton & Associates in 1980.

Between 1999 and 2005, he was chief executive of the Salvage Association.

Noble has attended 60 major casualties, including the *Haven*, *Braer*, *Sea Empress*, *Irving Whale*, *Hyundai Spirit* and *Erica*.

Over the past 34 years, he has worked with all the major salvage companies and served briefly as a special casualty representative prior to taking up the Salvage Association post.

Until recently, Noble was an advisor to the International Salvage Union (ISU).

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