UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF GEORGIA

DONJON-SMIT, LLC,

No. 2:20-cv-00011 LGW-BWC

Plaintiff,

v.

ADMIRAL KARL L. SCHULTZ, CAPTAIN JOHN W. REED, COMMANDER NORM C. WITT, and COMMANDER MATTHEW J. BAER, in their official capacity as officers of the UNITED STATES COAST GUARD,

Defendants.

RESPONSE BY COAST GUARD TO COURT'S ORDER OF FEBRUARY 21, 2020

Defendants, Admiral Karl L. Schultz, Captain John W. Reed, Commander Norm C. Witt, and Commander Matthew J. Baer (collectively, the "Coast Guard"), provide the following responses to the questions posed by the Court in its Order dated February 21, 2020 (Dkt. No. 19) in anticipation of the February 25, 2020 hearing on Plaintiff's motion for preliminary injunction (Dkt. No. 6). The Coast Guard notes that, for purposes of considering Plaintiff's likelihood of success on the merits of Plaintiff's request for review of the Federal On-Scene Coordinator's ("FOSC's") approval of a request to deviate from the non-tank vessel response plan ("NTVRP") for the M/V GOLDEN RAY, the Court should consider only those materials in the administrative record. 5 U.S.C. § 706 (provision of the Administrative Procedure Act setting forth the standard and scope of review in challenges to final agency action). Unless otherwise noted, all documents attached to this response are part of the administrative record.

1. How does the Large Section Demolition plan (or plan put forth by T&T Salvage) provide for a "more expeditious or effective response to the spill or mitigation of its environmental effects" than the Small Section Demolition plan put forth by Plaintiff?

Coast Guard's Response: After reviewing both T&T's and Plaintiff's plans and consulting with salvage technical experts from the U.S. Navy Supervisor of Salvage and Diving ("SUPSALV") and U.S. Coast Guard Salvage Engineering Response Team ("SERT"), the FOSC determined T&T Salvage's ("T&T") plan to use Large Section Demolition ("LSD") would reduce the duration and potential severity of the risk and impact to the environment. The Federal On-Scene Coordinator ("FOSC") found that, while both plans are feasible options for salvage of the GOLDEN RAY, T&T's plan would be completed approximately four months faster (near the beginning of the 2020 hurricane season) than Plaintiff's plan (near the end of the 2020 hurricane season) based on the estimates provided by T&T and Plaintiff and the objective reviews by SUPSALV and SERT. Additionally, the FOSC found that T&T's plan to construct an Environmental Protection Barrier ("EPB") prior to commencing cutting operations would be more effective because it would lessen the risk and potential impact to the environment as compared to Plaintiff's plan to construct a barrier, which suggested constructing a barrier concurrently with vessel cutting operations. See Dkt. No. 20-1 at pdf pages 49, 52-53 (Decision Memo); see also id. at pdf page 17 (Owner's explanation of why Plaintiff's proposal was deemed unacceptable), pdf page 47 (request for non-tank vessel response plan ("NTVRP") deviation describing estimated times of completion for Plaintiff's plan and T&T's plan).

2. Who, specifically, made the decision to select T&T?

Coast Guard's Response: The Owner. *See* Dkt. No. 20-1 at pdf pages 26-41 (Invitation to Tender bids for the removal and disposal of the GOLDEN RAY), pdf pages 43-47 (NTVRP Deviation Request).

3. Who, specifically, was consulted in making the decision to select T&T?

Coast Guard's Response: The Coast Guard is not aware with whom the Owner consulted in making the decision to select T&T. The FOSC was not consulted, and had no involvement in the decision to select T&T to be the subject of the NTVRP deviation request. The FOSC granted the Owner's NTVRP deviation request, which authorized T&T to be an additional resource provider for specific salvage services and for this specific response. Dkt. No. 20-1 at pdf pages 51-52 (Decision Memo).

4. Who, specifically, had input into the decision to select T&T?

Coast Guard's Response: See response to Question 3.

5. What evidence exists showing that the vessel owner, as opposed to the Federal On-Scene Coordinator, made the decision to select T&T?

Coast Guard's Response: There is ample record evidence showing that the vessel owner, not the FOSC, made the decision to select T&T, including:

- The Owner's Invitation to Tender, Dkt. No. 20-1 at pdf pages 26-41 (Invitation to Tender bids for the removal and disposal of the GOLDEN RAY); and
- The Owner's NTVRP Deviation Request, which notified the FOSC of its request to use T&T. Dkt. No. 20-1 at pdf pages 43-47 (NTVRP Deviation Request).

Throughout the response, the FOSC has not been involved in the Owner's contracting decisions, as demonstrated by his lack of involvement with Owner's agreement with Plaintiff and Donjon Marine Co., Inc. ("Donjon Marine") to transition wreck responsibility for removal activities from Plaintiff to Donjon Marine, with the consent of Plaintiff. Dkt. No. 20-1 at pdf pages 20-21 (Transitional Agreement). The Owner did not seek a deviation from the NTVRP that would allow Donion Marine to act as a services provider before entering into the Transitional Agreement, and when the FOSC became aware of the agreement he informed the Owner on November 22, 2019 that such an arrangement was a deviation of the NTVRP. See Dkt. No. 20-1 at pdf pages 23-24 (FOSC Reply to Owner's Response to Administrative Order 01-19 Amendment 2). The Owner then sought a deviation from the NTVRP to allow Donjon Marine to be added as a resource provider for the removal and disposal of the GOLDEN RAY, which request the FOSC denied because the proposed deviation would not have made the response "more expeditious, effective, or environmentally safe." *Id.* at pdf page 23. The Owner thereafter sought a deviation from the NTVRP to allow T&T to be added as a resource provider for the removal and disposal of the GOLDEN RAY. Id. at pdf pages 43-47. (Dec. 19, 2019 NTVRP Deviation Request).

6. What specific facts and circumstances led to selecting T&T?

Coast Guard's Response: This is a question best answered by the Owner. However, the Coast Guard is aware of disagreement between the Owner and Plaintiff as to the best methodology for the removal operation and environmental mitigation. *See* Dkt. No. 1-3 (electronic mail exchange between Plaintiff's representative and the FOSC (Dec. 22-23, 2019)); Attachment 1 (Owner's Dec. 24, 2019 response to Plaintiff). *See also* Dkt. 20-1 at pdf pages 54-55 (Decision Memo describing working relationship of between the Owner and Plaintiff).

7. Exactly what exceptional circumstances justify deviation from the Non-Tank Vessel Response Plan?

Coast Guard's Response: While the most common means of obtaining response resources is by pre-approved contracts in accordance with a vessel's NTVRP, the Oil Pollution Act and Coast Guard regulations recognize the need for flexibility to authorize a deviation from a NTVRP where such deviation would provide for a more expeditious or effective response. 33 U.S.C. § 1321(c)(3)(B); 33 C.F.R. § 155.4032(a). In "exceptional circumstances" the FOSC has the discretion to approve the use of another resource provider for a specific response when an owner provides a justification for the selection and the FOSC determines that the deviation would "best effect a more successful response." 33 C.F.R. § 155.4032(a).

As explained in the Coast Guard's opposition to the motion for preliminary injunction,
Dkt. No. 20 at 14-15, the Coast Guard's regulations do not define "exceptional circumstances,"
but the agency has explained in its "Guidance for Implementation and Enforcement of the
Salvage and Marine Firefighting Regulations for Vessel Response Plans" that the FOSC

"determines what exceptional circumstance will lead to deviation from the response plan in order to provide for a more expeditious or effective response to the spill or mitigation of its environmental effects. *It is up to the individual FOSC to make this determination from his understanding of the facts of the situation.*" Navigation and Vessel Inspection Circular No. 2-10 at 32-33 (Sept. 27, 2010) (emphasis added) (citing 33 U.S.C. § 1321 § (c)(3)(B); 33 C.F.R. § 153. 103(n); 33 C.F.R. § 155.4032). Thus, whether there are exceptional circumstances justifying a deviation from a NTVRP is a case-specific and fact-based question.

With respect to the salvage of the GOLDEN RAY, the FOSC appropriately determined that there were exceptional circumstances based on the location, scale, and rarity of a casualty of this magnitude in U.S. coastal waters. Dkt. No. 20 at 13 (Coast Guard's Opposition); Dkt. No. 20-1 at pdf pages 51-52 (Decision Memo). The GOLDEN RAY is a 656 foot roll-on/roll-off foreign freight vessel laying on its side, exposed to the wind, waves, and currents. The vessel is in very close proximity to a navigable channel, which serves as the only access route to the Port of Brunswick. The vessel is grounded in an environmentally sensitive area, which includes prime shrimping grounds and Bird Island – a significant roosting area for migratory birds. Additionally, the vessel is aground in close proximity to St. Simons and Jekyll Islands, which are major tourist destinations for coastal Georgia. Dkt. No. 20-1 at pdf pages 51-52 (Decision Memo). When considering the totality of the aforementioned circumstances, the FOSC determined the GOLDEN RAY casualty and salvage operations to be an exceptional circumstance in accordance with 33 CFR § 155.4032. Id. Plaintiff itself acknowledges in its Complaint that the GOLDEN RAY "is the largest cargo shipwreck in U.S. coastal waters since the Exxon Valdez," and that there are significant environmental concerns regarding the removal of the vessel and its contents. Dkt. No. 1 at ¶ 10.

8. What process was used to discover and analyze any exceptional circumstances?

Coast Guard's Response: The FOSC considered all information provided to him by the Owner in its NTVRP deviation request, as well as information provided to the FOSC in the normal course of his duties from others within the Coast Guard and the Unified Command. *See*, *e.g.*, Attachment 2 (Weekly Executive Summary for Week of Dec. 10-16, 2019); Attachment 3 (Golden Ray Marine Monitoring Report Dec. 9, 2019); Attachment 4 (ICS-209 Incident Summary as of Dec. 19, 2019). To the Coast Guard's knowledge, the facts that formed the basis for the FOSC's finding of exceptional circumstances are not in dispute.

9. If exceptional circumstances are found, is there any provision of law mandating they be communicated to the approved salvage and marine firefighter?

Coast Guard's Response: No. There is no statutory or regulatory requirement requiring notice to a resource provider that a deviation to add another resource provider – which would require a finding of exceptional circumstances – has been approved by the FOSC. Nor is there any Coast Guard policy or guidance that recommends communicated a finding of exceptional circumstances to a resource provider. Here, however, Plaintiff was aware that the two deviation requests described in the response to Question 5 were made by the Owner. Plaintiff also communicated a written objection to the second request for deviation to the FOSC. Dkt. No. 1-3.

10. What is the proper definition of "exceptional circumstances" in the context of this case?

Coast Guard's Response: Because there are so many scenarios that could result in a discharge or "worst case discharge or substantial threat of such a discharge," 33 C.F.R. §

155.5010, the Coast Guard did not include a definition of the term when promulgating 33 C.F.R. § 155.4032(a). *See* 73 Fed. Reg. 80,618, 80,635 (Dec. 31, 2008) (describing need for flexibility to allow a deviation from a NTVRP based on the circumstances). As explained in guidance issued by the Coast Guard in 2010, the FOSC makes the determination based on his/her "understanding of the facts of the situation." Dkt. No. 20-3 at pdf page 62 (Navigation and Vessel Inspection Circular No. 2-10 (Sept. 27, 2010)). Whether there are "exceptional circumstances" is thus a case-dependent analysis of the factual circumstances of a specific incident.

As stated in the FOSC's Decision Memo, the FOSC's finding of exceptional circumstances was based on a number of factors:

- (1) the size of the vessel and amount and character of cargo approximately 44,000 gallons of petroleum products, hazardous substances, and 4,200 cars on a 656 foot car carrier.
- (2) the condition of the vessel the GOLDEN RAY is capsized, aground, and listing 100 degrees.
- (3) the location of the vessel in close proximity to a navigation channel that is the only access to one of the busiest roll-on, roll-off ports in the US, and near the communities of Brunswick, St. Simons, and Sea Island.
- (3) environmental considerations the vessel is grounded in close proximity to environmentally sensitive areas that serve as habitat for a variety of species, including shrimp and migratory birds. The environment is also the reason for tourism in the area.

 Dkt. No. 20-1 at pdf pages 51-52.

A decision whether the facts surrounding a specific incident constitute "exceptional circumstances" is well-within the Coast Guard's discretion and expertise and the decision to

grant the Owner's deviation request should be afforded substantial deference under the APA. *See* 5 U.S.C. 706; *Marsh v. Or. Natural Res. Council*, 490 U.S. 360, 377 (1989) (Where an agency's determination "requires a high level of technical expertise, [a court] must defer to the informed decision of the responsible federal agencies.")

11. The Complaint references nineteen different salvage services for which Plaintiff is the approved salvage provider. Describe all nineteen. Which of the nineteen are implicated in this motion?

Coast Guard's Response: The required salvage and marine firefighting ("SMFF") services that must be included in a NTVRP are listed in 33 C.F.R. § 155.4030(b) (Table B). For Salvage services, a listed SMFF provider must be able to provide, within required timeframes:

- 1. Remote assessment and consultation
- 2. Begin assessment of structural stability
- 3. On-site salvage assessment
- 4. Assessment of structural stability
- 5. Hull and bottom survey
- 6. Emergency towing
- 7. Salvage plan
- 8. External emergency transfer operations
- 9. Emergency lightering
- 10. Other refloating methods
- 11. Making temporary repairs
- 12. Diving services support
- 13. Special salvage operations plan
- 14. Subsurface product removal
- 15. Heavy lift

For Marine Firefighting services, a listed SMFF provider must be able to provide, within required timeframes:

- 1. Remote assessment and consultation
- 2. On-site fire assessment
- 3. External firefighting teams

4. External vessel firefighting systems

33 C.F.R. § 155.4030(b) (Table B).

When the FOSC approved the Owner's NTVRP deviation request, he did so to allow the Owner to use "T&T Salvage as a salvage and marine firefighting resource provider." Dkt. No. 20-1 at pdf page 51 (Decision Memo); *id.* at pdf page 63 (NTVRP Deviation Approval Letter). As noted in the Coast Guard's opposition to the motion for preliminary injunction, the FOSC's approval of the NTVRP deviation request did not remove Plaintiff as a salvage and marine firefighting resource provider. Dkt. No. 20 at 17-18. The approval of the deviation request only authorized T&T to serve as an additional or alternate salvage provider. The deviation request did not discuss, and the FOSC's approval of the request did not change, Plaintiff's status on the NTVRP in any way.

Nor did the FOSC cherry-pick which specific services would be provided by T&T or Plaintiff, as the Owner retains the discretion to decide which provider will undertake certain activities. Plaintiff's contract with the Owner does not contain an exclusivity clause, so after the FOSC's recent approval of the Owner's request to deviate from the NTVRP, the Owner retains the right to choose between Plaintiff and T&T for salvage and wreck removal operations for this specific incident under the regulatory framework of the salvage and marine firefighting regulations. *See* Attachment 5 (NTVRP-G-Marine SMFF Agreement).

12. Did Unified Command meet with Plaintiff and T&T? Why or why not? Did they have to meet?

Coast Guard's Response: The Unified Command did not meet with Plaintiff who, like all resource providers, work at the behest of entities regulated under 33 C.F.R. Part 155. In its

capacity as a contracted resource provider for the Owner, the Plaintiff is not itself regulated by the Coast Guard, nor entitled, under the regulations, to independent representation before the FOSC or Unified Command under the National Contingency Plan.

The FOSC acceded to a request by the Owner, who is a member of the Unified Command, to meet with an entity considered for the Owner's NTVRP deviation request. The FOSC acted appropriately and within his discretion when agreeing to take this meeting. The Owner did not make any such request with regard to a meeting with Plaintiff.

13. What specific evidence exists that Defendants did or did not act in bad faith?

Coast Guard's Response: There is no evidence the Defendants acted in bad faith. And there is ample evidence in the administrative record that the FOSC has carried out his duties appropriately and in full compliance with all legal requirements. All of the FOSC's decisions and actions have been taken in accordance with applicable laws and regulations, and consistent with Coast Guard policies and guidance, for the purpose of "ensur[ing] the effective and immediate removal of a discharge, and mitigation or prevention of a substantial threat of a discharge of oil or a hazardous substance" into the waters described in 33 U.S.C. § 1321(c)(1)(A)(i)-(iv). Those decisions and actions, as well as the justification for them, were comprehensively and contemporaneously documented in writing, Dkt. No. 20-1 at pdf pages 49-55 (Decision Memo), and supported by the administrative record.

14. What specific evidence exists that Defendants did or did not act arbitrarily and capriciously in deviating from the NTVRP?

Coast Guard's Response: After an extensive review of the Owner's request and all other information before the FOSC, including Plaintiff's salvage plan, the FOSC appropriately exercised his discretion in granting the Owner's request as documented in his Decision Memorandum. *See* Dkt. No. 20 at 11-18 (Coast Guard's Opposition to motion for preliminary injunction explaining why Plaintiff is not likely to succeed on the merits).

As the record demonstrates, the FOSC, Commander Norm C. Witt, went beyond simply considering the materials provided by the Owner it support of its NTVRP deviation request; he considered the factual circumstances of this significant incident and also sought the opinion of salvage and engineering technical experts from the U.S. Navy Supervisor of Salvage and Diving and U.S. Coast Guard Salvage Engineering Response Team. Dkt. No. 20-1 at pdf pages 49-53; (Decision Memo); *id.* at pdf pages 57-61 (SERT emails setting forth conclusions upon review of Plaintiff's plan and T&T's plan).

The FOSC first determined the request was for a specific service, limited in scope to this specific response. Dkt. No. 20-1 at pdf pages 50-51 (Decision Memo). The FOSC then determined exceptional circumstances existed to consider the Owner's request given the location, scale, and rarity of a casualty of this magnitude in U.S. coastal waters. *Id.* at pdf pages 51-52. The FOSC then conducted an assessment of how T&T's plan compared to Plaintiff's plan in consultation with the Navy and Coast Guard technical experts, who reviewed Plaintiff's and T&T's salvage plans and concluded that both plans were technically feasible. *Id.* at pdf pages 56-61 (SERT Response RE T&T Plan and SERT Response RE Donjon-SMIT plan).

After considering the technical review of the plans, the FOSC considered the expediency of T&T's plan. The FOSC found that T&T's plan, using Large Section Demolition, would be completed faster than Plaintiff's Small Section Demolition plan by approximately four months.

Dkt. No. 20-1 at pdf pages 52-53 (Decision Memo); Attachment 6 (Risk Registers for T&T's Plan and Plaintiff's Plan). An estimation of the plans' respective timelines was calculated using the P&I's risk register and assessed with 90% confidence. *Id.* SUPSALV and SERT reviewed T&T's timeline and confirmed it was reasonable given the proposed plan. Dkt. No. 20-1 at pdf pages 56-61 (SERT emails); *id.* at pdf pages 52-53 (Decision Memo). Based on that information, the FOSC determined T&T's plan would provide for a more expeditious response.

The FOSC then considered each of the plans' mitigation of environmental impacts. T&T's proposed plan included the placement of an Environmental Protection Barrier ("EPB") prior to commencing cutting operations, which would provide containment for remaining pollutants and mitigate the effects of a potential discharge. Attachment 7 at 10, 46-48 (T&T Plan). T&T's plan also reduced the duration of noise pollution and acoustic disturbances to the marine environment, and anticipated the threat of light pollution by using huts to cover on-scene lighting. *Id.* at 50-52. Plaintiff's plan did not provide as much protection for the environment since it proposed to commence cutting work at the same time as it constructed an Environmental Protection Barrier. Dkt. No 1-2 at pdf page 14 and 20 (describing an optional cofferdam), 23 (stating that the cofferdam could be constructed simultaneously with Phase 2 operations). Based on the information provided in Plaintiff's and T&T's plans, the FOSC determined T&T's plan would better mitigate adverse environmental impacts associated with salvage operations. *See* Dkt. No. 20-1 at pdf page 53 (Decision Memo).

¹ A "risk register" is a tool used by various industries, but in this case was used by the Owner to document and calculate risks to the completion timeline, actions to manage each risk, and assess potential outcomes of different contract requirements (e.g., Small Section Demolition and Large Section Demolition) and work procedures (e.g., awaiting receipt of U.S. Army Corps of Engineering permits and placement of an Environmental Protection Barrier).

On December 21, 2019, after a thorough review of the Owner's request and relevant information, the FOSC approved the Owner's NTVRP deviation request under 33 C.F.R. § 155.4032, having determined doing so would provide for a more expeditious and effective response to the spill or mitigation of its environmental effects in accordance with 33 U.S.C. § 1321(c)(3)(b).

15. What evidence exists that Defendants exceeded their statutory authority? Specifically, which provision or subpart of any statute(s) was exceeded and how?

Coast Guard's Response: There is no evidence the Coast Guard (or the FOSC) exceeded their statutory authority. To the contrary, the record is clear that the FOSC acted well within his discretion and authority under 33 C.F.R. § 155.4032 and 33 U.S.C. 33 U.S.C. § 1321(c)(3)(b).

16. Does the Coast Guard have any standard procedures for determining whether a request to deviate from the NTVRP satisfies the criteria set forth in 33 C.F.R. § 155.4032? What are those procedures? Were any such procedures applied in this case?

Coast Guard's Response: Coast Guard policy provides that, "FOSCs possess the regulatory authority to approve a deviation from an approved NTVRP under exceptional circumstances and if the proposed alternative actions would clearly enable a more effective response. Before the FOSC authorizes a deviation, the FOSC *must* clearly document why the deviation is necessary in ... relevant incident response documentation." Coast Guard Marine Environmental Response and Preparedness Manual, COMDTINST M16000.14A, Chapter 5.C.5.b. *Available at* https://media.defense.gov/2018/Oct/01/2002046527/-1/-

<u>1/0/CIM_16000_14A.PDF</u> (last viewed February 23, 2020). In this instance, the FOSC properly documented his reasoning consistent with this policy. Dkt. No. 20-1 at pdf pages 49-55 (Decision Memo).

17. Does any provision of the Oil Pollution Act of 1990 or its implementing regulations guarantee Plaintiff a right to be heard before a deviation determination is made?

Coast Guard's Response: No. While 33 C.F.R. § 155.5075 sets forth appeal procedures that may be used by a vessel owner or operator who disagrees with a deficiency determination made by the Coast Guard, resource providers are not afforded any such appeal right. A deficiency determination is a determination made by the Coast Guard regarding a vessel's plan. The Coast Guard may find the plan to be insufficient for a variety of reasons (e.g., contracts fail to secure all required services). The vessel owner/operator can appeal such determinations. Resource providers are not afforded an opportunity to appeal such a determination in the regulations.

18. Does the U.S. Constitution guarantee Plaintiff a right to be heard before a deviation determination is made? What Supreme Court holding best supports your conclusion?

Coast Guard's Response: The U.S. Constitution does not guarantee Plaintiff any procedural due process in the course of the FOSC's deviation determination. "Procedural due process imposes constraints on governmental decisions which deprive individuals of "liberty' or 'property' interests within the meaning of the Due Process Clause of the Fifth or Fourteenth Amendment." *Mathews v. Eldridge*, 424 U.S. 319, 332 (1976). Although Plaintiff has asserted in its motion for preliminary injunction that it is entitled to a contract that is "secured by statute

absent exceptional circumstances," Dkt. No. 6 at ¶ 30, Plaintiff cites no statute or other authority to support this assertion.

Moreover, the fact that a resource provider is listed on a NTVRP does not give rise to a property interest. It merely means that the provider agrees to perform the services provided. During a salvage situation, the Qualified Individual ("QI") is responsible for activating the NTVRP. The Coast Guard requires that an NTVRP contain a list of resource providers available by contract or other approved means. The NTVRP may list multiple resource providers for each service. 33 C.F.R. § 155.4030(a). "The Coast Guard expects the QI to activate response resources following notification of a spill or threat of a spill; when there is a salvage and marine firefighting situation, the Coast Guard expects the QI to notify the listed primary salvage and marine firefighting resource provider." 78 Fed. Reg. 60,099, 60,106, *Nontank Vessel Response Plans and Other Response Plan Requirements; Final Rule* (Sept. 30, 2013). The listed resource provider will then carry out the response in accordance with its contract and the direction of the FOSC.

During the public comment period for nontank vessel response plan rulemaking in 2013, the Coast Guard received multiple comments. One commenter raised a concern that under the proposed rule NTVRPs would only have one salvor who would require immediate activation. The commenter believed that would lead to only one salvage solution and inhibit the ability for any competition in salvage operations in developing other wreck removal solutions. The Coast Guard disagreed in 2013 and continues to disagree in this case, which is why, in part, it opposes Plaintiff's arguments in its motion.

The Coast Guard specifically responded to the commenter's concern, stating:

VRPs may list more than one salvor. A VRP GSA must list primary resource providers who are responsible for all, or a subset of, the services that are listed in Table 155.4030(b). VRPs may list additional resource providers for each service, but VRPs must indicate the primary resource provider for the COTP zone. ... 33 CFR 155.5012 describes the means to respond using alternate strategies based on FOSC approval of a salvage plan that the attending salvage master develops, which may provide for a more expeditious or effective response.

78 Fed. Reg. at 60,110.

Thus, merely being listed as a resource provider, even a primary resource provider, does not ensure the provider of any exclusive right to a contract under the NTVRP.

And, in any event, Plaintiff remains a service provider under the Golden Ray's NTVRP for the salvage and marine firefighting services listed above. *See* Response to Question 11 and Dkt. No. 20 at 17-18. The Coast Guard has approved the addition of another service provider for this incident, but has not impeded Plaintiff's ability to enter into a contract with the Owner.

19. How much bunker fuel has been removed from the Golden Ray thus far? How much remains? What is the best current estimate of how much fuel, oil, and other contaminants have already entered the St. Simons Sound as a result of this incident?

Coast Guard's Response: When the vessel grounded, it was carrying approximately 380,000 gallons of oil, most of which was removed from the vessel. Currently, approximately 44,000 gallons of oil remain on board or are unaccounted for. In addition to that oil, other petroleum products, hazardous substances, and approximately 4,200 cars remain on board the vessel, and continue to pose a substantial threat of pollution. *See* Dkt. No. 20-1 at pdf page 49 (Decision Memo). The Coast Guard does not have an estimate of how much fuel, oil or other contaminants have entered the water.

20. Is there any dispute that the longer the Golden Ray remains in the Sound, the greater the environmental and navigational hazards become?

Coast Guard's Response: This should not be in dispute. In fact, it was a major consideration in the FOSC's decision. "The FOSC is also compelled by other environmental safety and mitigation concerns. The faster timeline associated with [Large Section Demolition] and T&T's plan will reduce the duration of risk and impact to the environment." Dkt. No. 20-1 at pdf page 53 (Decision Memo). The Coast Guard and FOSC recognize that an extended response time increases the probability of an environmental impact of greater severity and increases the public's and environment's exposure to the risks and impacts of the vessel and potential pollutants. *Id.*; *see also* Dkt. No. 20-2 at ¶¶ 3-8 (Declaration of Captain Ricardo Alonso).

21. Is there any dispute that an important salvage goal is to complete the task prior to the onset of hurricane season?

Coast Guard's Response: There should be no dispute on this point, which was one of the reasons the FOSC approved the NTVRP deviation. *See* Dkt. No. 20-1 at pdf page 53 (Decision Memo); Dkt. No, 20-2 at ¶ 8 (Declaration of Captain Ricardo Alonso). Plaintiff's plan, as submitted in November and December 2019, would not complete vessel removal until October 2020. Attachment 6 (Risk Registers).

22. Which method, Large Section Demolition or Small Section Demolition, presents the greatest risk of environmental damage? Why?

Coast Guard's Response: The answer to this question likely depends on the circumstances presented. Here, after recognizing that both types of demolition are feasible, the FOSC determined Plaintiff's plan presented the greater risk to the environment as compared to the T&T plan, as the latter would provide for the best containment of remaining pollutants and mitigation of the effects of a potential discharge. Additionally, the longer timeline associated with Small Section Demolition in Plaintiff's plan would increase the duration of risk and impact to the environment. Plaintiff's plan includes more cuts to the vessel, which increases the threat of a potential discharge by increasing the number of tanks, pipes, and voids holding hazardous materials exposed to the environment. The use of more cuts to the vessel increases the timeline of operations and delays the completion of salvage. Attachment 6 (Risk Registers). Slower salvage increases the time the environment, including marine aquatic species, is exposed to the risks and impacts of operations. Plaintiff's slower timeline will also increase the duration of noise pollution and acoustic disturbances to the marine environment.

23. Which method, Large Section Demolition or Small Section Demolition, presents the greatest risk of navigational hazards? Why?

Coast Guard's Response: Both salvage plans would have an impact on the navigable waterway, which is why the Coast Guard Seventh District Commander, Rear Admiral Eric Jones, implemented a Regulated Navigation Area for the navigable channel in St. Simons Sound on October 30, 2019. 84 Fed. Reg. 58,051. To ensure the safe operation of vessel traffic in vicinity of the Environmental Protection Barrier, the Captain of the Port Savannah, Commander Witt, implemented a Safety Zone, which has been in effect since September 30, 2019. 84 Fed. Reg. 54,496.

In assessing T&T's plan and the Owner's NTVRP deviation request, the FOSC prioritized the protection of the environment and integrity of the waterway. The FOSC determined T&T's "faster salvage timeline will also avoid a prolonged impact on the unrestricted use of the navigation channel." Dkt. No. 20-1 at pdf page 53 (Decision Memo).

24. What method was used in assessing the relative risks?

Coast Guard's Response: As described in the response to Question 14, in assessing the relative risks of the plans, the FOSC reviewed the technical details of both T&T's plan and Plaintiff's plan in consultation with government technical experts from SUPSALV and SERT. After the technical experts opined that both plans were technically feasible and the proposed timelines were reasonably estimated, the FOSC based his approval of the NTVRP deviation request on the more expeditious plan and protection of the environment and integrity of the waterway.

25. If the Large Section Demolition method fails, what is the worst-case scenario in terms of environmental impact and cost to the public?

Coast Guard's Response: If the vessel suffered a catastrophic failure, there could be a release of approximately 44,000 gallons of petroleum products, hazardous substances, and approximately 4,200 cars. The Oil Spill Response Organization listed on the Owner's NTVRP remains contracted to respond to such an incident. If Large Scale Demolition is not an effective methodology by which to remove the vessel, T&T has indicated that it is ready and prepared to change demolition strategies. Attachment 7 at 24 (T&T Plan addressing contingencies). T&T

has a large repertoire of salvage assets, which include assets capable of both Large and Small Section Demolition.

26. If the Small Section Demolition method fails, what is the worst-case scenario in terms of environmental impact and cost to the public?

Coast Guard's Response: As stated in response to the prior question, if the vessel suffered a catastrophic failure, there could be a release of approximately 44,000 gallons of petroleum products, hazardous substances, and 4,200 cars. The Oil Spill Response Organization listed on the Owner's NTVRP remains contracted to respond to such an incident. If the demolition to be carried out as Plaintiff proposes – via Small Section Demolition – it is not clear what methodology Plaintiff would use as an alternative in the event it fails, but it is worth noting that Plaintiff's plan would allow for Large Section Demolition for at least a portion of the vessel "if the need/opportunity arises." Dkt. No. 1-2 at pdf page 8.

27. If Plaintiff were to begin February 26, 2020, what is the best estimate of completion time and cost?

Coast Guard's Response: As an initial matter, for Plaintiff to even begin salvage work on the GOLDEN RAY, two things must occur. First, Plaintiff and the Owner would need to rescind the Transitional Agreement entered into in November 2019, under which Plaintiff was replaced as the provider of future services for the Golden Ray. *See* Dkt. No. 20 at 5 (Coast Guard Opposition); Dkt. No. 20-1 at pdf pages 20-21 (Transitional Agreement). Second, assuming there are no further requests to the NTVRP, Plaintiff and the Owner would need to

enter into a contract for the salvage, which include providing a salvage plan acceptable to the Owner and the FOSC.

Assuming these two issues are resolved, the time and cost of the salvage would depend on the plan agreed upon by the Owner and Plaintiff, which would require approval by the FOSC and permits from the Army Corps of Engineers. Under Plaintiff's proposed plan, which has been determined to be feasible, the salvage would take until at least October 2020, based on their proposal and risk register analysis. Dkt No 1-2 and Attachment 6 (Risk Registers). The time estimated may be impacted by the fact that another salvage provider has already initiated its plan. *See* Attachment 8 (Weekly Executive Summary for Week of February 11-17, 2020).²

As for the cost, the FOSC is not directed in either regulation or policy to consider cost in approving plans submitted for approval, and did not consider costs when reviewing the plans put forth by Plaintiff and T&T. The Coast Guard therefore does not have this information.

28. If Plaintiff were to prevail today, what is the best estimate of completion time and cost?

Coast Guard's Response: This question is best answered by Plaintiff, for the reasons set forth in the previous response.

29. If T&T continues, what is the best estimate of completion time and cost?

Coast Guard's Response: The FOSC expects removal to be complete in early June, before the height of the 2020 hurricane season, which is estimated to occur in late August to early September. National Hurricane Center and Pacific Hurricane Center, Tropical Cyclone Climatology,

² This weekly summary is not part of the administrative record.

https://www.nhc.noaa.gov/climo/ (last visited Feb. 22, 2020). As explained in the response to Question 27, the FOSC did not consider costs and therefore does not have this information. The Owner is the best positioned to provide this information.

30. According to the Complaint, the Large Section Demolition method has only ever failed while the Small Section Demolition method has worked in a similar setting. Why was a method selected that has always failed?

Coast Guard's Response: There is no evidence to support Plaintiff's assertion that Large Section Demolition has only ever failed. In fact, there is significant evidence to the contrary. SMIT Salvage, a related business entity to Plaintiff, currently lists the salvage of both the TRICOLOR and the BALTIC ACE on its website. See

https://www.smit.com/projects/detail/tricolor.html (last visited Feb. 21, 2020) and

https://www.smit.com/search.html#view/list/query/baltic (last visited Feb. 21, 2020). In fact, a link from the SMIT website leads to an article on SMIT's parent company Boskalis' website touting the salvage of the BALTIC ACE as a successful operation. See

https://magazine.boskalis.com/issue03/baltic-ace-wreck-removal ("This project shows how different Boskalis business units with their own unique expertise come together and share their knowledge to arrive at safe, efficient and cost-effective solutions. We completed the project well before the deadline."). SMIT's website also refers to other Large Section Demolition projects, including the salvage of the Russian submarine KURSK. See

https://www.smit.com/projects/detail/kursk.html (last visited Feb. 21, 2020).

In addition, the FOSC did not analyze T&T's Large Section Demolition plan in a vacuum. As discussed in response to Question 14, prior to granting the deviation request, the

FOSC directed SUPSALV and SERT to perform a separate technical review of the plans submitted by T&T and Plaintiff, and considered their input stating that both plans are technically feasible. Based on this information, the FOSC did not select a plan thought to fail.

31. What was the environmental impact of the Tricolor and Baltic Ace failures, respectively? Is the same risk present here?

Coast Guard's Response: While the degree of the "failure" in the TRICOLOR and BALTIC ACE salvage operations may be debated, as described above, it is important to note that both ships presented very different circumstances than those of the GOLDEN RAY.

The TRICOLOR was similar in size to the GOLDEN RAY and sank in the middle of the English Channel following a collision. Two other vessels subsequently collided with the TRICOLOR after it had sunk. The TRICOLOR was completely submerged below the surface, allowing surfaces of the vessel to be weakened by water and waves. Valves broke off during lightering operations leaking 170 tons of oil into the sea. In addition, several fuel tanks ruptured. Even after all pumping operations ceased, up to 60 tons of oil were still estimated to be onboard the vessel. After the TRICOLOR was cut into nine sections, only five were lifted off the seafloor, the remaining sections were left on the bottom of the sea throughout the winter of 2003-2004 due to bad weather. During that time, the remaining sections of the hull deteriorated. Kerckhof F., P. Roose & J. Haelters, *The Tricolor incident: from collision to environmental disaster*, Atlantic Seabirds, 85-94 (Jan. 2004) (https://pdfs.semanticscholar.org/1aa4/89fb44291c15bdeaffafe7c26f2a9f0f2ee2.pdf).

The BALTIC ACE was a smaller vessel than the GOLDEN RAY but also a roll-on/roll-off car carrier. It sank in the North Sea following a collision. The BALTIC ACE was completely

submerged approximately 10-12 meters from the surface. Due to weather and sea-state considerations, salvage operations were not immediately possible due to weather conditions. Damage to the vessel and deterioration due to the amount of time it was submerged prevented the vessel from being cut into pieces until over two years after the vessel sank. The depth of the water in which the vessel had sunk also made the operation more difficult. Despite these complications, SMIT Salvage and its parent company Boskalis continue to laud the salvage operation as a success. *New Video Tells Baltic Ace Wreck Removal Story*, Maritime Executive, Jan. 28, 2016, https://www.maritime-executive.com/article/new-video-tells-baltic-ace-salvage-story (last visited Feb. 21, 2020).

While the salvage of the GOLDEN RAY will not be simple, the challenges it presents are much less complex than the salvage of either the TRICOLOR or the BALTIC ACE. The GOLDEN RAY: (1) did not suffer a collision; (2) is not fully submerged; (3) has only been aground for five months; and (4) remains largely intact without any identified significant structural defects. Additionally, the vast majority of the oil onboard has been successfully removed. Further, the erection of a multifaceted Environmental Protection Barrier further lessens the risk posed by the GOLDEN RAY salvage operations as compared to those for both the TRICOLOR and BALTIC ACE. So, the same risk of environmental impact is not present in this case.

In addition, not every Large Section Demolition is carried out in the precise same manner. T&T's demolition plan is based on the GOLDEN RAY's unique circumstances. As part of its plan, T&T intends to use the VersaBar (VB) 10,000, a floating crane that is capable of lifting between 2,700 tons to 4,100 tons sections of the vessel and placing them onto a barge for removal from the wreck site. Attachment 7 (T&T Plan). Given the conditions of the vessel and

environmental conditions, the Owner, the Owners' experts, the FOSC and technical experts from SUPSALV and SERT have found T&T's method using the VB 10,000 to be feasible in this case. The FOSC has ensured, and continues to ensure, T&T takes appropriate measures to mitigate any potential environmental threat as it further develops its plan.

32. What are the estimated chances that the Large Section Demolition method will succeed? What are the estimated chances that the Small Section Demolition method will succeed?

Coast Guard's Response: The Coast Guard does not have information regarding the probability of success of either wreck removal methodology. However, as discussed in response to Question 14 above, technical experts from SUPSALV and SERT completed a review of both Plaintiff's and T&T's proposed salvage plans and concluded, with 90% certainty, that both plans were technically feasible.

33. Have there been any Small Section Demolition method failures? If so, what was the environmental impact? Is the same risk present here?

Coast Guard's Response: Every salvage operation poses unique risks and challenges.

For this reason, the Coast Guard and the FOSC routinely defer to technical experts, including SUPSALV and SERT, to assess salvage operations on a case-by-case basis. The environmental impact of a salvage operation, or its failure, depends on conditions that may or may not be present here (e.g., the presence of remaining pollutants on board, environmental conditions, the location of the vessel and its structural integrity, time exposed to the elements). Many factors are

present that may easily differentiate this salvage operation from others. The Owner, Plaintiff, or other technical experts are best positioned to provide a response to this question.

34. Is there any way to remove some of the automobiles independently of the sections?

Coast Guard's Response: Of the approximately 4,200 vehicles remaining inside the vessel, an unknown number have come loose of their lashings and may be resting in the flooded sections of the vessel. Removing the automobiles without demolishing the vessel would likely be a substantial challenge and could pose substantial risk to the safety of workers involved in such operations. Additionally, a plan in which the vehicles are removed independently would delay the overall removal of the wreck. The Owner, Plaintiff, or other technical experts may be better positioned to provide a response to this question.

35. What is the extent of any interference with the navigational channel occasioned by the thirty-one acre environmental protection barrier?

Coast Guard's Response: The Environmental Protection Barrier being currently being constructed by T&T includes approximately 80 pilings and the placement of containment and mesh netting between the pilings. This barrier is intended to secure debris that may escape the vessel during cutting operations. WJCT News Website,

https://news.wjct.org/post/environmental-protection-barrier-going-around-grounded-st-simons-sound-cargo-ship (last visited Feb. 22, 2020).

The Environmental Protection Barrier is expected to intrude partly into the navigable channel, but not to an extent to block the channel entirely or prevent the safe passage of marine

traffic. The larger size of the barrier may actually serve to better assist in the containment of hydrocarbons. The current in the area will likely push any discharged heavy oil away from the wreck before it surfaces, so having a floating barrier at a slight distance will better ensure released hydrocarbons are captured.

Either salvage plan considered by the FOSC would have interfered with the navigational channel to some extent, which is why the Coast Guard Seventh District Commander, Rear Admiral Eric Jones, implemented a Regulated Navigation Area for the navigable channel in St Simons Sound on October 30, 2019. 84 Fed. Reg. 58,051. To ensure the safe operation of vessel traffic in vicinity of the Environmental Protection Barrier, the Captain of the Port Savannah, CDR Witt, implemented a Safety Zone, which has been in effect since September 30, 2019. 84 Fed. Reg. 54,496. To date, there has been no interruption in safe, secure commerce through St. Simons Sound and the Port of Brunswick.

36. What is the cost of the Large Section Demolition? What is the cost of the Small Section Demolition?

Coast Guard's Response: This question is best answered by the Owner and Plaintiff.

The FOSC did not consider costs when reviewing the plans put forth by Plaintiff and T&T, and therefore does not have this information.

37. What is the limit of the owner's exposure should further environmental damage ensue?

Coast Guard's Response: The Owner's Limit of Liability for this incident is established in accordance with 33 U.S.C. § 2704 and 33 C.F.R. Part 138, as amended. 84 Fed.

Reg. 39,970. The GOLDEN RAY has a Certificate of Financial Responsibility (#86259) with a limit of liability of \$78,295,800.

38. What role did salvage cost to the owner play in the deviation?

Coast Guard's Response: This question is best answered by the Owner. The FOSC did not consider costs and therefore does not have this information.

39. Why was T&T permitted to proceed utilizing a different billing method?

Coast Guard's Response: General and specific content requirements to be included in the NTVRP are set forth in 33 C.F.R. §§ 155.5030, 55.5035. The Coast Guard does not dictate how a vessel owner bills a contract for its NTVRP; regulations only require that a contract is in place meeting the requirements of 33 C.F.R. Part 155. The billing method used for a specific response is a contract term not dictated by law or regulation, or recommended under any Coast Guard policy.

40. Explain the exact parameters of the competing billing methods: cost-plus and fixed price. Why was one deemed more desirable?

Coast Guard's Response: This question is best answered by Plaintiff or Owner. The Coast Guard does not consider billing methods when assessing a salvage or response plan. However, a fixed-price billing method may serve as an incentive to more expeditiously remove the vessel, as the contract is a set price. The longer a wreck removal project continues, the less profit a salvor is likely to accrue under a fixed-price billing method.

41. Is the owner responsible for all costs under either method, successful or not?

Coast Guard's Response: In accordance with 33 U.S.C. § 2702, "each responsible party for a vessel or a facility from which oil is discharged, or which poses the substantial threat of a discharge of oil, into or upon the navigable waters or adjoining shorelines or the exclusive economic zone is liable for the removal costs and damages."

Title 33 U.S.C. § 2704 sets limits on liability, and 33 U.S.C. § 2708 allows a responsible party to recover costs from the Oil Spill Liability Trust Fund. Only those actions whose primary purpose is removal (i.e., the containment or removal of oil pollution) and which are consistent with the National Contingency Plan may be paid or reimbursed by the Trust Fund. Claimed removal costs must be incurred in the normal course of a removal effort under the FOSC's direction. In all multi-mission cases in which Trust Fund funding is involved, the FOSC is responsible for documenting all costs, while also clearly identifying those relating to other mission activities, and indicating why such costs should or should not be charged to the Trust Fund. *See* Determining Removal Costs under the Oil Pollution Act of 1990, available here: https://www.uscg.mil/Mariners/National-Pollution-Funds-Center/Publications/tops/ (last visited Feb. 22, 2020).

As aforementioned, the Owner is responsible for all costs associated with the removal of oil up to its limit of liability as set forth in its Certificate of Financial Responsibility. As of the date of this filing, the Owner has not yet filed a claim against the Trust Fund. If the Owner files to recover costs from the Trust Fund, the Coast Guard's National Pollution Funds Center will review the Owner's claims, the FOSC's determinations, and the incident file. Only those costs incurred in the normal course of a removal effort will count towards the Owner's limit of liability. Costs for removal efforts in excess of the Owner's limit of liability may be recovered by the Owner in accordance with 33 U.S.C. §§ 2708, 2013.

42. Why did Plaintiff wait fifty-three days to seek an injunction? Is it possible for Plaintiff to complete the work prior to the onset of hurricane season?

Coast Guard's Response: This question is best answered by Plaintiff.

43. What evidence is there that T&T is "planning a failure" as alleged in Plaintiff's filings?

Coast Guard's Response: The Coast Guard is not aware of any such plan, or evidence thereof. As noted in response to Question 25, T&T does describe being able to transition to Small Section Demolition in the event of structural failure of the wreck. Attachment 7 at 24 (T&T Plan).

44. Is the interior of the Golden Ray failing? If so, does this daily increase the risk of environmental pollutants being released?

Coast Guard's Response: The GOLDEN RAY's position on the sea floor has been continuously monitored and the vessel has remained stable aground, resting on its port side with a list of approximately 100 degrees. Attachment 3 at 3 (Golden Ray - Vessel Monitoring Report Dec. 9, 2019). The FOSC is aware of crushing at the port side top decks in way of the accommodation spaces. The FOSC does not know the complete extent of damage to the vessel's interior structure.

The Owner has placed sensors on the vessel's side structure which monitor the degree of list and trim at the vessel's fore, mid and aft sections. The strategic placement of scouring around the vessel has protected the vessel from continuing to list to a greater extent. Attachment

2 (Weekly Executive Summary of Dec. 10-16, 2019). Despite this scouring, the FOSC recognizes that the stability and integrity of the vessel will degrade overtime, which was one of the main factors in approving the Owner's NTVRP deviation request. At this time, the Coast Guard is not aware of any structural failing within the vessel's interior that poses a substantial threat of imminent catastrophic failure of the vessel's structure or of an imminent release of environmental pollutants. The vessel is being continuously monitored with listing and trim sensors and visual inspections of the vessel. During cutting operations, safety observers and monitors will continue to check the structural integrity of the vessel using visual assessments and hydrographic surveys below the waterline.

45. Why should the public have confidence that the Federal On-Scene Coordinator has selected the best method and that it will work?

Coast Guard's Response: The FOSC is trained and experienced. Commander Witt has served in the Coast Guard for nearly 21 years, most recently as the Commanding Officer of Marine Safety Unit Savannah since the summer of 2017. His previous assignments related to pollution response and prevention include assignment as the Executive Officer of the Pacific Strike Team, where he coordinated the deployment of special response teams and provided critical oversight and technical advice to Coast Guard members responding to major pollution incidents, including the grounding of the Mobile Off-Shore Drilling Unit KULAK in Alaska. During his 20 years of service, Commander Witt has also served at Coast Guard Sector Jacksonville and Marine Safety Office Morgan City where he was directly involved in the oversight of, or response to, over a dozen pollution and salvage response operations, many of which included vessels stranded or wrecked after major hurricanes. *See* Attachment 9 (CDR

Witt Background).³ Commander Witt hold numerous Coast Guard qualifications necessary to conduct his current and previous assignments. Based on his experience and expertise as a marine safety professional, he was assigned as the Commanding Officer of Marine Safety Unit Savannah and serves as the FOSC for Savannah and the GOLDEN RAY incident response.

The Owner, not the FOSC, selected the method to be used to effect the wreck removal. The FOSC complied with all statutory and regulatory requirements, consistent with relevant policy considerations. The FOSC thoroughly vetted the Owner's NTVRP deviation request and accompanying documentation. In consultation with engineering and salvage technical experts from SUPSALV and SERT, the FOSC reviewed the technical details of both T&T's and Plaintiff's plans. After technical experts concluded with a high level of certainty that both plans were technically feasible and the proposed timelines were reasonable, the FOSC prioritized the expedition of the salvage and protection of the environment and integrity of the waterway in considering each plan. Based on this extensive consideration, which is thoroughly documented in his Decision Memo, the FOSC granted the Owner's NTVRP deviation request. Based on his extensive review and assessment, the public can have confidence that he granted the deviation request based on the information available to him at the time.

Date: February 23, 2020 Respectfully submitted,

/s/ Martha C. Mann
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³ This document is not part of the administrative record.

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Counsel for Defendants

Attachment 1

Briggs, Salomee G LCDR

From: Baer, Matthew J CDR

Sent: Monday, January 13, 2020 8:54 AM

To: Briggs, Salomee G LCDR
Cc: Witt, Norm C CDR

Subject: FW: [Non-DoD Source] FW: Ltr. Response to DJS (GOLDEN RAY) (24 December

2019).pdf

Attachments: Ltr. Response to DJS (GOLDEN RAY) (24 December 2019).pdf; ATT00001.txt

Salomee,

Forwarded as discussed via text. Thanks very much!

V/R, CDR Matt Baer, USCG Sector Charleston Chief of Response W: (843) 740-7063 C: (843) 296-1777

From: Chris Graff < cgraff@chgms.com > Date: Saturday, Jan 11, 2020, 2:58 PM

To: Witt, Norm C CDR < Norm.C. Witt@uscg.mil >, Baer, Matthew J CDR < Matthew.J.Baer@uscg.mil >, Maddox, John < John.Maddox@dnr.ga.gov >

Cc: Tom Wiker < twiker@chgms.com >, Dave Barry < dbarry@chgms.com >, Kevin Perry < kperry@chgms.com >, Mavrinac,

Michael [GlovisUSA] < MMavrinac@glovisusa.com>

Subject: [Non-DoD Source] FW: Ltr. Response to DJS (GOLDEN RAY) (24 December 2019).pdf

Members of the UC,

Please see attached letter being shared from Mr. Reisman. Let me know if you have any questions.

Best Regards,

Chris Graff

Gallagher Marine Systems LLC. Director – Response Services

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- +1 856 642 2091 (Office)
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cgraff@chgms.com / www.gallaghermarine.com

A Please consider the environment before printing this email.

From: David Reisman < DReisman@liskow.com> Sent: Saturday, January 11, 2020 2:52 PM

Case 2:20-cv-00011-LGW-BWC Document 22-1 Filed 02/23/20 Page 3 of 9

To: Chris Graff <cgraff@chgms.com>

Cc: Allistair Ridgley <Allistair.Ridgley@nepia.com>; GOLDENRAYSALVAGE <GOLDENRAYSALVAGE@nepia.com>

Subject: Ltr. Response to DJS (GOLDEN RAY) (24 December 2019).pdf

Chris

I would appreciate if you would provide a copy of the attached letter to the Unified Command.

Thanks, and please let me know if you have any questions.

Case 2:20-cv-00011-LGW-BWC Document 22-1 Filed 02/23/20 Page 4 of 9

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David L. Reisman

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December 24, 2019

Mr. Paul Hankins VP Salvage Operations Donjon-Smit, LLC 15402 Vantage Parkway East, Suite 316 Houston, TX 77032

Re: M/V GOLDEN RAY, IMO: 9775816

Dear Mr. Hankins,

We represent GL NV24 Shipping Inc. ("Owners") in connection with the GOLDEN RAY casualty. We are in receipt of your 23 December 2019 e-mail to Captain Reed and CDR Witt (the "E-Mail"). In short, stand down.

Owners and the North of England P&I Association (the "Club") have been shocked and dismayed by Donjon-Smit, LLC's ("DJS") conduct in connection with the GOLDEN RAY casualty. Simply stated, they do not agree with your approach to the wreck removal and have chosen a contractor whose vision for the operation matches theirs. As you know from the many conversations and meetings you have had with Owners and the Club, their preferred methodology involves large-section demolition (the "Preferred Methodology"). You have been afforded opportunities, both formal and informal, to explain and support your methodology and/or to adopt the Preferred Methodology. You made the decision to stand pat, and they made the decision to utilize a contractor they believe gives them the best opportunity to successfully and expediently remove the wreck. This has never been meant as a slight on DJS or its capabilities; there simply exists a difference of opinion on this specific set of facts. When there is a disagreement as to approach, the right to select the way forward belongs to the vessel owner (subject of course to approval of the U.S. Coast Guard).

Rights and responsibilities with respect to salvage efforts on the GOLDEN RAY are governed by federal regulations and the Salvage and Marine Fire Fighting ("SMFF") contract between G-Marine Service Co., Ltd. ("G-Marine") and DJS dated September 20, 2017 (the "Contract"). The Contract requires DJS to provide services "as and when required" by G-Marine. *See* Recital, Art. 3(e), Art. 6(a) & (b). At all times during the period of the Contract, DJS is required to maintain people and equipment "satisfactory to Owner [G-Marine]." Art. 3(a) & (b). The Contract does not give DJS the right to

¹ Owners and the Club do not concede that wreck removal, as opposed to salvage, is subject to the Contract.

determine the means or methodology to respond to a particular casualty. Nor would it make sense for DJS to have such a right, because it is Owners, not DJS, who may be responsible in the first instance to the United States government and third parties harmed by the casualty and response.

Owners and the Club determined that large-section demolition is the safest and most environmentally sound method for removing the GOLDEN RAY wreck and mitigating any remaining pollution risk. DJS may disagree with that decision, but the decision is reserved solely to Owners.² Owners notified DJS of the Preferred Methodology and provided DJS with numerous opportunities to adopt their plan to incorporate that methodology. DJS declined, and T&T Salvage ("T&T") offered to do that which DJS refused – perform the wreck removal using the Preferred Methodology. Accordingly, on 19 December, Owners submitted a request to the U.S. Coast Guard to deviate from the GOLDEN RAY's Non-Tank Vessel Response Plan ("NTVRP") pursuant to 33 C.F.R. §§ 155.4032 and 155.5012 (the "Deviation Request").³ The Deviation Request came after Owners and the Club conducted due diligence on the Preferred Methodology and after clarification meetings with both DJS and T&T.

On 21 December 2019, the FOSC granted Owners' Deviation Request. The FOSC specifically cited 33 C.F.R. § 155.4032 in granting the deviation, thereby acknowledging that T&T's use of the Preferred Methodology "would best affect a more successful response." As set forth in his response to your 23 December E-Mail, the FOSC granted the Deviation Request only after consulting with federal technical experts, namely the U.S. Navy Supervisor of Salvage and Diving and U.S. Coast Guard Marine Safety Center Salvage Engineering Response Team, and evaluating T&T's large-section demolition plan and DJS' small-section demolition plan.

Just as Owners' choice of how to remove the GOLDEN RAY wreck and mitigate the risk of pollution was Owners' right under the Contract, the FOSC's decision to grant Owners' Deviation Request was solely the FOSC's right pursuant to its statutory and regulatory authority. Your allegation that the FOSC "turns a blind eye to the regulations" is untrue and unprofessional. In granting the Deviation Request, the FOSC followed not only the spirit but also the letter of the regulations. As a matter that is squarely within the U.S. Coast Guard's expertise, the decision to grant the Deviation Request is afforded substantial deference under the Administrative Procedures Act. See 5 U.S.C. § 706; Marsh v. Or. Natural Res. Council, 490 U.S. 360, 377 (1989) (Where an agency's determination "requires a high level of technical expertise, [a court] must defer to the informed discretion of the responsible federal agencies.").

We realize you are disappointed that you were not awarded the wreck removal project, but your efforts to secure the project have now gone too far. Your 23 December E-Mail impugns the integrity and qualifications of the Unified Command ("UC"), the U.S. Coast Guard, the FOSC, Owners and the Club. This malicious attack is unfounded, uncalled for, and entirely unprofessional. Your claims that Owners and the Club misrepresented DJS' position and negotiating tactics to the FOSC and/or UC are absolutely

² Subject to agency approval of the wreck removal plan and contractor.

³ Owners submitted the Deviation Request at the direction of the U.S. Coast Guard despite their belief that the SMFF and NTVRP regulations should not apply to the wreck removal scope of work.

false. Owners and the Club stand by their actions, and the record with respect to those actions is clear. The following are just a few examples of misstatements contained in your E-Mail:⁴

DJS Allegation	Truth
"From our perspective, our position has always been required to be viewed through the prism of a clearly prejudiced Club."	The Club has no prejudice, but rather has acted prudently throughout this process and extended DJS an exclusive opportunity for the wreck removal through the Letter of Intent ("LOI")
"As you know our original plan was withheld from the UC for weeks by the Club and their consultants."	DJS' Method Statement was provided to the UC upon their request
"the SMFF provider can't get 30 minutes in front of our own Unified Command"	We are not aware of any prior request by DJS for such a meeting with the UC
"The Club's consultant has become the defacto salvor."	GSC have acted as a consultant throughout this process, which included an exclusive negotiating period for DJS and an ITT which was conducted in accordance with industry standard practice. It should further be noted that both Donjon Marine Co., Inc. ("Donjon") and DJS willingly participated in the ITT process, and none of the other wreck removal contractors lodged any complaints with respect to GSC's role or participation
"Donjon-SMIT has met every aspect of our regulatory requirements, including saving 4 souls trapped in the wreck, removing the bulk oils"	DJS consented to transition the salvage scope of work to Donjon despite DJS being the listed resource provider in the NTVRP; many of the salvage services have been performed by Donjon under direct contract with Owners rather than by DJS (or its subcontractors) under the SMFF Contract; DJS have used the wreck removal scope of work as a bargaining chip and have failed and refused to return to the salvage project without an express award of the wreck removal scope of work despite their regulatory obligations; ⁵ it is our understanding that DJS refused to save the four souls on board the vessel and that T&T therefore participated in that heroic aspect of the salvage operation
"Nothing has been told to us [DJS] indicating disappointment in our performance, beyond the Clubs insistence our plan "doesn't give	The Club has on several occasions during both the LOI and ITT processes explained to DJS

⁴ Perhaps most troubling is the fact that DJS have specific, first-hand knowledge that many of the allegations set forth in the E-Mail are false.

⁵ This failure constitutes a material breach by DJS of the Contract.

them what the want', without a definition of	that the preferred methodology includes large-
what that exactly is."	section demolition
"The UC is poised to approve a plan that is	The Club's analysis indicates that the P90
significantly more risky, moves the completion	completion date for T&T is 6 June 2020
date just a month earlier under a very	whereas the P90 completion date for
questionable schedule"	DJS/Donjon is 7 October 2020 (this date is
	based on DJS/Donjon's own yield rates -
	which rates are very much in question)
"Of course cost is no longer a concern to the	The Club's guiding concerns are expedient
Club as they approach their Limits of Liability	removal of the wreck and mitigation of the
the American taxpayers, not the Club, will	environmental impact; the Club's decision-
be footing the expense"	making has not been shaped by an uncertain
	recovery from the Oil Spill Liability Fund
"Apparently the UC is going to allow a	T&T's engineered plan was vetted by the
plan/method that has failed the previous two	FOSC, SUPSALV and SERT and was
times when tried on similar casualties,	compared with DJS' method statement as
approved without the benefit of reviewing and	confirmed by the FOSC's 23 December
comparing to the SMFF plan with the experts."	response to your E-Mail: "The FOSC, in
	consultation with USN SUPSALV and USCG
	MSC SERT, thoroughly reviews all such
	requests [for deviation], including an
	assessment of how it compares to the current
	resource providers proposed course of action."
"One of the reasons we chose not to team with	T&T's plan includes a contingency in the
T&T is they represented to us that they are	event of failure of its large-section demolition
planning for failure"	methodology, but T&T does not expect that
	methodology to fail and denies having
	represented to DJS that they expect it to fail
The Club misrepresented that "DJS's plan	The Club submitted a formal request for
would push into 2021"	deviation to the FOSC which clearly stated that
	the P90 completion date under DJS' proposal
	(using DJS' self-reported yield rates) was 7
	October 2020.
The Club misrepresented that "Donjon-Smit	The DJS methodology presented both during
did not provide the Club with a plan that could	the LOI and ITT processes remained firmly
be discussed and amended if a clear logical	based on small-section demolition and was
methodology preference existed and	thus unacceptable. It is worth noting that your
communicated"	E-Mail certainly seems to confirm that DJS
	never agreed or offered to perform large-
	section demolition.
The Club misrepresented that "After the	The Club has accurately stated that DJS have
Admin Order revision, Donjon-SMIT was	failed to agree to negotiate for return to the
unwilling to negotiate to correct the deviation"	salvage project without award of the wreck
	removal scope of work, despite requests and
	proposals from the Club

The Club mispresented that "Donjon pulled out of a T&T 'deal' after agreeing to proceed"

"upon finding that the T&T plan calls for cutting the GOLDEN RAY into ultra large sections, and finding they agreed there was a huge risk to the lifts, and lack of adequate planning to include a cofferdam, Donjon-SMIT quickly ended any consideration of partnering."

The Club read aloud to the UC, *verbatim* and in its entirety, Mr. John Witte's 19 December email to Mr. Allistair Ridgley

Per T&T: DJS (via John Witte) was aware prior to meeting with T&T on 18 December that T&T's proposal included large-section demolition; DJS (John Witte and Doug Martin) nonetheless met with T&T in Houston to discuss collaboration using T&T's largesection demolition methodology (see Mr. Witte's 19 December email to Allistair Ridgley – "Allistair, as discussed earlier this morning, the Plan Submitted by T&T Salvage is the plan that Donjon-Smit and T&T Salvage have been discussing since we arrived onsite yesterday afternoon"; Doug Martin and John Witte met at T&T's office with the entire T&T and Versabar technical and engineering team on 18 December and after scrutinizing the proposed methodology concluded T&T had a well-engineered plan and this was clearly expressed to all by both Messrs. Witte and Martin; On the evening of 18 December T&T's Kevin Teichman and Mauricio Garrido met with DJS' John Witte and Doug Martin at John Witte's hotel where it was discussed and agreed under general commercial terms to undertake the operation jointly on a 50/50 basis and it was further agreed to meet at T&T's office at 0900 on 19 December to finalize the commercial details of the agreement and move forward; on 19 December DJS declined to collaborate as co-contractors, but suggested that T&T work for DJS as a subcontractor and that T&T supply the VB 10000 heavy lift asset so that large sections could be removed

"The only return we get on that investment is responding to these incidents, This deviation action puts the very reason for the venture's existence at risk - that is meeting the OPA-90 Salvage and Marine Firefighting regulations."

Contrary to your suggestion, DJS have already received a considerable return on their investment in connection with the salvage response to the GOLDEN RAY casualty, although that return surely was diminished by DJS' decision to transition the salvage response to Donjon on 8 November.

It has been suggested that the North of England	The Club has respected and followed the
P&I Club/Global Salvage Consultants are the	command of the USCG throughout this
controlling party in this matter.	process
We simply want to know why the UC turns a	The Club has cooperated fully and
blind eye to the regulations while allowing the	respectfully with the UC; rather than
Club to dictate UC actions.	"dictating actions", the Club has worked hard
	to comply with the regulatory regime and
	follow the commands of the UC
The Club has a "perverted" agenda	The Club's only agenda is ensuring that the
	wreck of the GOLDEN RAY be removed
	expeditiously and with the least impact on the
	environment

Your E-Mail is replete with defamatory statements. While Owners and the Club hereby reserve all rights in this regard, including but not limited to legal action against DJS, Donjon, and you, we would prefer that DJS step back, assess its actions, and allow reason (and the Order of the U.S. Coast Guard) to prevail. We hereby call for an immediate end to DJS' campaign of tortious, false and misleading allegations and for DJS to allow for the wreck of the GOLDEN RAY to be removed without any further distractions. If DJS are unwilling to do so, we ask that you immediately identify your source(s) for the above misstatements of fact and we call upon those witnesses to provide sworn affidavits confirming their statements.

Finally, we do not believe another meeting is necessary. If, however, a message was missed in your lengthy e-mail and DJS now has new information to share, we would be happy to discuss.

Best regards,

David L. Reisman

DLR/aj

cc: Mr. Matthew Moore

Mr. Allistair Ridgley

Mr. Mike Mavrinac

Attachment 2

St Simons Sound Incident – Weekly Executive Summary Update (Week 10 – 16 Dec)

			_	nave been lightere	ed. Of the original	380,264.54 gallon	s onboard, an					
	 estimated 43,938.80 gallons remain. Casualty appears stable; no reportable changes in hull condition since last report and the rate of change in heel and 											
	•	es is negligible.		ianges in rian com		port and the rate	or enange in neer and					
	_		l propeller will	be removed this	week.							
Salvage, Assessments & Surveys			٨٤٠	00.300	400.00%	100.038						
,		List	Aft Forward	90.38 ⁰ 90.41 ⁰	100.00° 99.93°	100.03° 99.96°						
		List	Mid*	90.41	100.08°	99.96 100.15°						
			Aft	1.19°	-0.43°	-0.45°						
		Trim	Forward	1.18°	-1.00°	-1.00°						
			Mid*		-0.32°	-0.32°						
	*Midship		ı									
	Booming	strategy in place;	crews continu	e to monitor prot	ection effectivene	ess while replacing	and maintaining					
On-Water/Shoreline Operations	boom as i	boom as necessary.										
	All SCAT shoreline segments are defined as either Stage 1: No Oil Observed or Stage 3: Monitoring (no active											
		treatment recommended). Teams continue daily shoreline assessments.										
	• Federal Project Number - M19029:											
		95										
Cost Accounting		- Indirect costs: \$4,947,556.92										
		t costs: \$3,164,47 g remaining: \$1,8										
				lub on 10 Dec. EO	SCP will brief Glyn	n County Board of	f Commissioners @					
	• FOSCR briefed the Brunswick Exchange Club on 10 Dec. FOSCR will brief Glynn County Board of Commissioners @ 1800 on 19 Dec (public meeting).											
Media/Community Relations		••		ightering (dtd XXI	Dec19); resulted in	approx. 100 artic	les.					
			-	agencies continue		.,,,						
					•	x (6) submissions	were received; five (5)					
	are being	evaluated for fea	sibility, enviro	nmental impact a	nd timeline. Targe	t date for contrac	t awards: 22 Dec					
	2019.											
	Key Dates											
Strategic Concerns	0		_	clarification mee	-							
	0		•		he RP's preferred	plan						
	0											
	0	•		d plan to the UC		and in Janus 2	020					
	■ KP nas an	agreement in pri	ncipie for wast	.e disposal and an	ticipate contract a	iwaru in January 2	.UZU.					

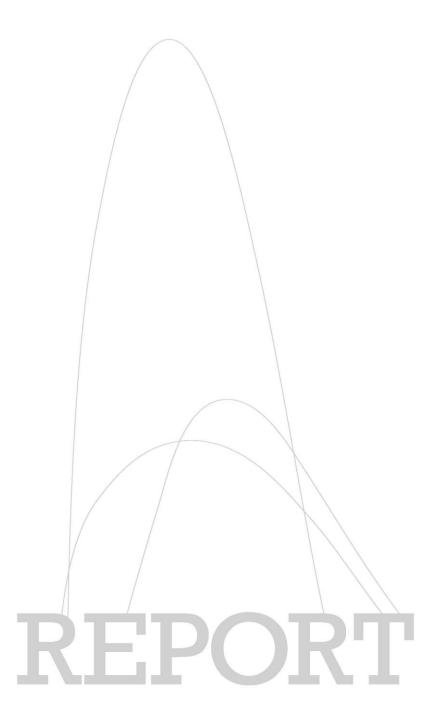
Attachment 3



MV Golden Ray

Smit Salvage

Summary report no. 85 - 09/12/2019







MV Golden Ray

Smit Salvage

Location: Brunswick, GA, USA

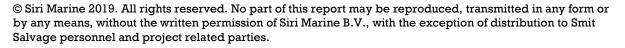


Siri Marine motion monitoring services Summary report no.85

Prepared for: Smit Salvage

Document No: P19-023 R85-Rev.0

Date: 09/12/2019
Prepared by: R. Douma
Checked by: R. Douma
Approved by: A. Lenting







Important

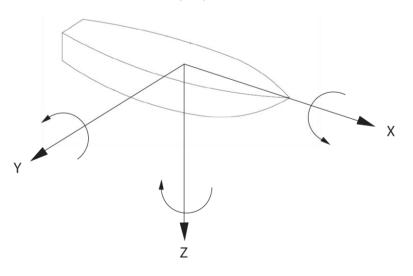
Time zone

All dates and times in this report and the graphs are in UTC. Local time in Brunswick (Eastern Standard Time) is 5 hours earlier (e.g. 29/09/2019 @ 12.00 UTC = 29/09/2019 @ 07.00 local time).

Note: Eastern Standard Time commenced on Sunday 03/11/2019

Sign agreement

All measurements follow this sign agreement.



- Positive X-axis pointing forward.
- Positive Y-axis pointing to starboard.
- Positive Z-axis pointing downward.
- Portside up = positive heel angle
- Bow up = positive trim angle
- Bow to starboard = positive yaw angle

Monitoring System setup

For system setup and layout in regard to the motion sensors and DGPS on-board the vessel, reference is made to Siri Report 1, Siri Report 33 and the Siri monitoring system overview document.



1 Summary

No major changes in condition since previous report. The rate of change in heel and trim angles is <0.05° per day. Casualty remains fairly stable with somewhat larger motions on forward end. Influence of differences in day/night temperature on the vessel structure are visible. The dynamic motion is very small. There are no significant changes in torsion and deflection over the last 24 hrs.

Average heel and trim changes:

	Heel 9/12/19	24hr change	7day change
S1 AFT	-10.06°	-0.04°	-0.10°
S2 FWD	-10.03°	-0.10°	-0.17°
S3 MID	-10.07°	0.00°	-0.03°

Table 1 – 24hr and 7day changes in average heel @ time of reporting.

	Trim 9/12/19	24hr change	7day change
S1 AFT	-0.43°	0.020	0.04°
S2 FWD	-1.04°	-0.06°	-0.14°
S3 MID	-0.29°	0.02°	0.05°

Table 2 – 24hr and 7day changes in average trim @ time of reporting.

S2 FWD was back online between 08/12/2019 15:00 and 09/12/2019 03:30 and is back online since 09/12/2019 15:30.

The heading and position are stable @ 147.1° and 31~07~685N/81~24~226W.

2 Calibration

The following conditions were recorded and agreed with the salvage team after first installation & calibration of the monitoring system on 14/09/2019 @ 22.00 UTC, and are used as "as found" condition of the measurements. It was decided to calibrate sensors to the horizontal plane: for absolute value of heel angles an additional value of 90° should be added to the heel angles in this report.

	Heel	Trim	Location
S1 AFT	-0.4°	+1.2°	Deck 13 frame 10
S2 FWD	-0.4°	+1.2°	Deck 13 frame 180
S3 MID1	-1.95°	+0.04°	Deck 3 frame 100

Table 3 – Motion sensor calibration values.

The calibrated heel is relative to the horizontal plane of the vessel in its current position (relative to the hull). This means that the absolute heel value was 90.4° to PS at the time of calibration

.

¹ Sensor S3 MID was installed on 22/10/2019. S3 MID was calibrated at the same heel & trim values of S1 AFT at that time.



3 Findings

This report gives a summary of motion and position data and presents the condition of MV Golden Ray during the salvage operations. This monitoring period covers the motion data from 14/09/2019 22:00 UTC until 09/12/2019 15:30 UTC.

Since last reporting period

The heel and trim changes are <0.05° for the last 24hr. The casualty is fairly stable at the moment of reporting. Dynamic motion in this reporting period is small with small impact forces visible during the day. Torsion and deflection (hogging) remain stable.

S2 FWD was back online between 08/12/2019 15:00 and 09/12/2019 03:30 and is back online since 09/12/2019 15:30. The battery needs to be recharged. At the moment S2 FWD is offline for ±5hrs each day. It comes online after being partially recharged via the solar panels.

The heading and position are stable @ 147.1° and 31 07 685N / 81 24 226W.

Overall picture from the start of the operations

The heel of the casualty has gradually increased at varying rates and is still increasing at slow rate. A faster increase was observed between 26/10 and 01/11, and again between 23/11/2019 and 27/11/2019. S2 FWD heel deviated <0.3° since 28/11/2019, from S1 and S3. S2 FWD shows more fluctuations (daily variations due to temperature differences) than S1 AFT and S3 MID, but the average change remains the same.

The trim of the casualty has gradually increased, with a faster increase between 26/09 and 01/10, and again between 23/11/2019 and 27/11/2019. S2 FWD trim has deviated from S1 AFT since 28/09. The deviation has stabilized since 03/10 and remained fairly stable, with a difference of 0.5°.

Changes since the installation of the sensors:

	Heel @ start	Heel 9/12/19	Heel change	Trim @ start	Trim 9/12/19	Change in trim
S1 AFT	-90.38°	-10.06°	-9.68°	+1.19°	-0.43°	-1.62°
S2 FWD	-90.41°	-10.03°	-9.62°	+1.180	-1.04°	-2.22°
S3 MID ¹	-96.95°	-10.07°	-3.13°	+0.04°	-0.29°	-0.33°

Table 4 – Average heel and trim changes since the installation of the motion sensors.

_

¹ Sensor S3 MID was installed on 22/10/2019.



4 Contact Information

Siri Marine BV

Stationsweg 1 9901 CP Appingedam The Netherlands www.sirimarine.nl

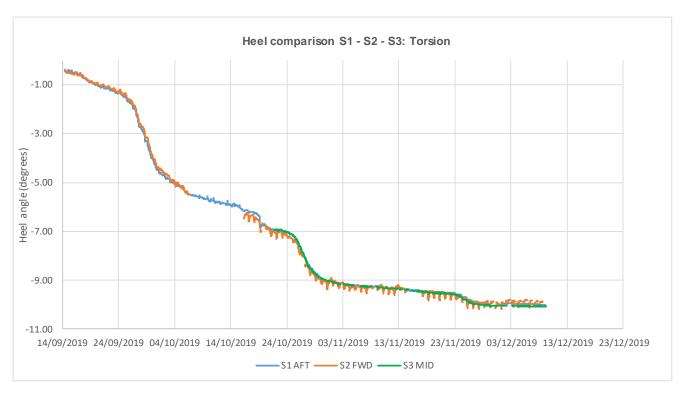
Tel +31 (0)596 620 997 (office)

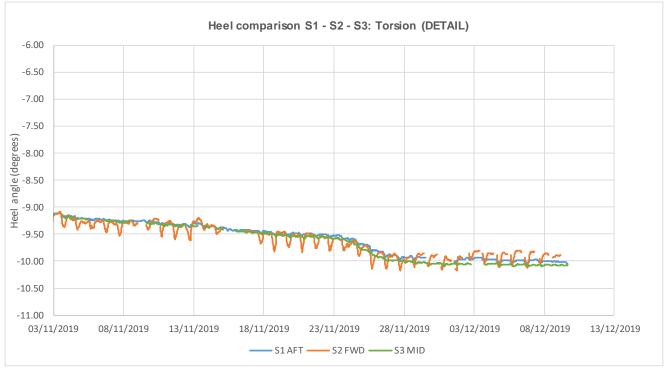
24/7 +31 (0)622 411 167 (Albert Lenting / <u>albert@sirimarine.nl</u>)

Mail <u>salvage@sirimarine.nl</u>



Appendix 1 – Motion graphs

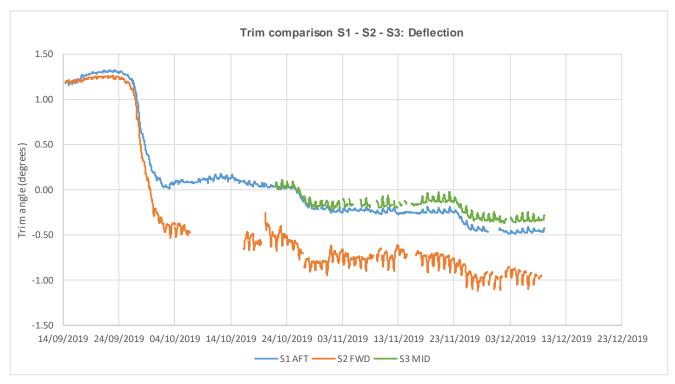


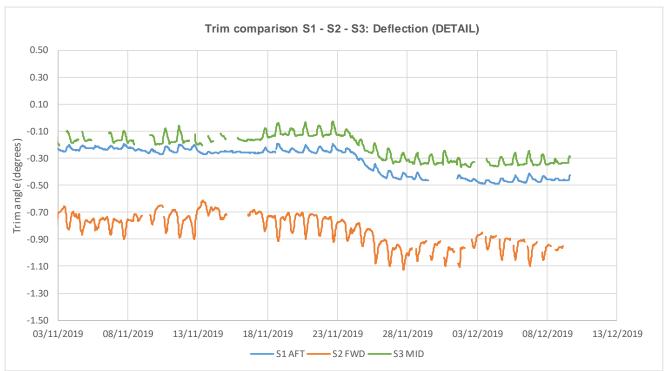


Graph 1 – TORSION. Heel angle difference S1 - S2 – S3 (since start + detail.)





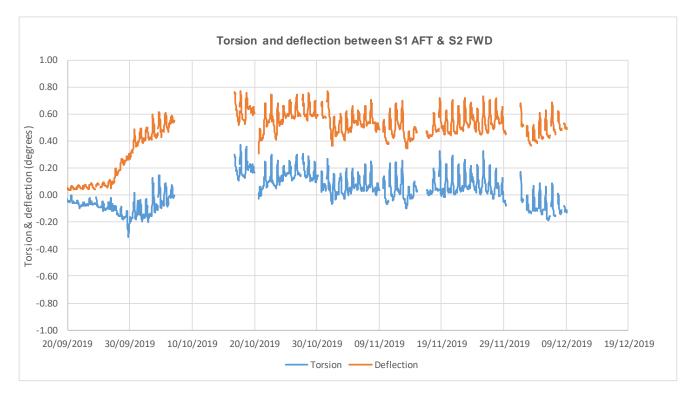




Graph 2 – DEFLECTION. Trim angle difference S1 - S2 – S3 (since start + detail)







Graph 3 – Deflection & torsion graphs since the start of the monitoring period.



Graph 4 – Dynamic roll & pitch motions 08/12/2019





Figure 1 - Screenshot of Siri Support Motion @ 09/12/2019 - 15:21 UTC

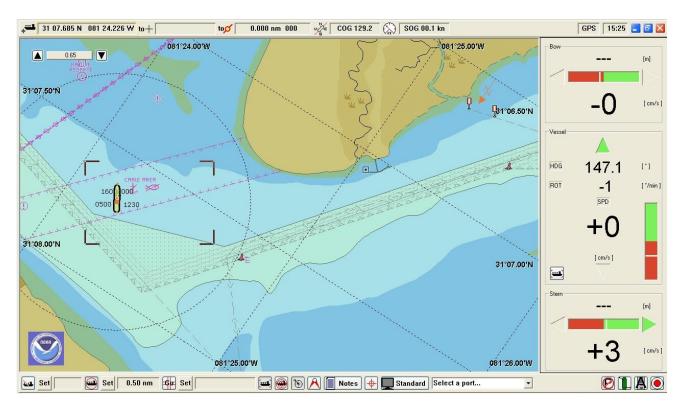


Figure 2 – Screenshot of Siri Support Position @ 09/12/2019 – 15:25 UTC

Attachment 4

Case 2:20-cv-00011-LGW-BWC Document 22-4 Filed 02/23/20 Page 2 of 2

	Inci	dent Name: St. S	Simons Sour	d Incide	Incident Name: St. Simons Sound Incident										ICS-209 Incident Summar	
Information a	as of: 1700 /	19 DEC 19 / Day	103							Operation	nal Period: #	#17 (15 DE	C 2019 0700 t	hru 09 J	IAN 2020 0700 Local Time)	
		Spill / Disc	harge Statu	s				Equipment Resources								
Source Potential (I	Estimated) *	Amounts below o	are per Gene	eral Mes	sage dat	ed 13DEC19	9 per UC .	Resource Kind	Ordered	Availabl	Assigned	oos	Total		Notes	
	Quantity UOM Notes:		es:	Barge			3		3							
Est. oil on vessel (t. oil on vessel (per loading data) 380,246 Gallons		Gallons			Storage Barge			1		1					
Est. oil/water mix	oil/water mix lightered 330,994			Gallons			Vessels			12		12				
Est. oil/water mix	skimmed		25,015		Gallons			OSRV			1		1		NRC Liberty	
Est. water lightere	ed/skimmed*	•	19,701		Gallons	*see no	ote #1	Tugs			4		4			
Est. oil remaining	on board		43,939		Gallons			Frac Tanks			2		2			
								Vac Trucks			0		0		3000 gal size	
Source Control no	otes:							Skimmer			1		1		Disk Skimmers	
*1 - Complete water data pends.							Helicopter			1		1		DNR		
		Waste M	anagement								+					
						UOM	Total			25		25				
Oily Water Dispos	10.01010101010	o:	27,851				Gallons				1					
Ony water bispos	sea or to batt		27,053	-			Gallotts		1							
								Boom (in feet)		20,100	22,300		42,400		*Assigned includes staged boom and Liberty.	
Oily Solids Dispos	sed of to Date	::	42.23				Tons									
Waste Notes:									-	-						
	Mos	st Recent Shoreli	ne Oiling Ol	servatio	ons							Pe	ersonnel Reso	urces		
Kr				CAT NO				Agency	Comman	nd Post	Field	ield Remote Notes				
NOO 142.	THE RESERVE OF THE PERSON NAMED IN	1) Total Oiled 4	8.471 Km / 3	80.119 N	Ailes			Federal	19		5					
T/B Other 2.8		2) Total Surveye	- Carpert Commontant Common Co			25		State	2		0					
Very Light 35.6				,				Local	0		0					
Light 5.9		SCAT Notes:						RP	14	la la	9					
Moderate 3.9		SCAT numbers	are only pro	vided or	Wednes	davs & Frid	lavs.	Contractor	3		106		*# deriv	ed from	TRG Database and the DonJon daily progress report.	
Heavy 0.0		1						Other	0		0				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
		1						Tota	1 38	1	120				Tota	
	Wildlife Imp	acts (Cumulative	from the st	art of th	ne incider	nt)			-							
Type	Captured	Cleaned	Released			Not	es									
Bird	13		3	6	4			NRC Repo	orts:	Cumi	lative Safety	Reports:	CIRs:			
Other								Total to Date	47	7 N	ear Misses	4	Weather	21		
Total	13	0	3	6	4			Since Last 209		Repor	able Incident	ts 3	All Others	19		
		Observed - (Ca		_			Total									
Manatee 0 Per ACOE Permit						Per ACOE	Permit									
Manatee	Manage 0 Fet ACOL Fernit															

Notes:

1) NRC - 00

- 3) COLUMBIA and FARRELL are performing a lot of torch work to remove the rudder.
- 4) Emptying and cleaning 03 ISO tanks and 05 totes at the staging area.
- 5) There was a trustees meeting today at 1000 at the DNR.

-209 Status Summary Prepared By: Nicole L Birchfield

²⁾ CIR - 00

Attachment 5



DONJON-SMIT, LLC **OIL POLLUTION ACT OF 1990** SALVAGE, FIREFIGHTING AND LIGHTERING CONTRACT AND FUNDING AGREEMENT



This agreement is made on the 20 September 2017 between DONJON-SMIT LLC, having its principal place of business at 15402 Vantage Parkway East, Suite 316, Houston, TX 77032 USA (Hereinafter referred to as "DONJON-SMIT"), And G-Marine Service Co., Ltd.

having its principal place of business at: 25 FI, 46 Chungjang-daero, 9 beon-gil, Jung-gu

Busan, 48936, Republic of Korea

(hereinafter referred to as "OWNER").

RECITALS

- WHEREAS OWNER is or will be trading vessels in and/or to United States (U.S.) waters and must retain a professional salvage company for the provision of salvage, firefighting, and lightering services in fulfillment of the requirements set forth in 33 CFR Part 155 under the Oil Pollution Act of 1990: and
- WHEREAS DONJON-SMIT is a joint venture between two internationally recognized salvage companies, each of which fully meets all of the fifteen qualifying criteria listed in 33 CFR 155.4050(b) issued by the United States Coast Guard under the Oil Pollution Act of 1990 and listed in Annex 4 hereto: and
- WHEREAS OWNER and DONJON-SMIT desire to enter into a contract and funding agreement for the provision of and access to salvage, firefighting and lightering services for OWNER's vessels trading in U.S. waters as and when required under the terms and conditions as set

NOW THEREFORE, DONJON-SMIT agrees to provide -- and OWNER agrees to accept -- the salvage, firefighting and/or lightering services to the vessel(s) of OWNER (listed in SCHEDULE A) as and when required in accordance with the following Articles, Annexes, and Schedules:

CONTRACT PERIOD OF PERFORMANCE AND MUTUAL RIGHT TO TERMINATE

- (a) In consideration of the retainer provided for in Article 9, the services provided for in this Agreement shall commence in full force at 0001 hours, EST, on 20 September 2017 and shall continue for one full year. Unless one party gives the other two months written notice before the end of a contract period, this Agreement will be automatically renewed for each subsequent one year period at the rates specified herein or at different rates agreed between the parties prior to each renewal. Notwithstanding the period of this Agreement mentioned above, this Agreement may be terminated by either party giving to the other not less than two months notice in
- writing.
 Should OWNER decide to terminate, no fees shall be reimbursable. Should DONJON-SMIT decide to terminate, the retainer fee shall be returned on a pro-rated basis for the amount of the one year period remaining on the contract from the date of termination.
- An individual OWNER vessel may be unilaterally suspended from coverage by DONJON-SMIT in accordance with Article 5(d) below, Marine Firefighting Pre-Fire Plans, or for failure to comply with Article 5. Coverage for such vessel will be reinstated upon correction of the deficiency. There will be no reimbursement of any portion of the retainer fee for the period of suspension.

ARTICLE 2. **DEFINITIONS**

"Category 2"

For the purposes of this agreement the following definitions shall apply:

"Tariff Rate" shall mean the DONJON-SMIT Salvage tariff rates set out in each of the Annexes 1, 2 and 3 Tariff clauses and Schedule C.

"OWNER" the party to this agreement that owns, manages, and/or operates the vessel(s) that require(s) salvage, firefighting, and/or

lightering services.

"TOWHIRE" shall mean the BIMCO Daily Hire Towage and Marine Services contract known commonly as 'BIMCO TOWHIRE 2008 contract

or any future amended version, the current edition of which is attached as Annex 1.

"WRECKHIRE" shall mean the BIMCO Daily Hire Marine Services and Wreck Removal Contract known as the 'BIMCO WRECKHIRE 2010 contract or any future amended version, the current edition of which is attached as Annex 2.

"LOF" shall mean Lloyd's Standard Form of Salvage Agreement, 2011 or any future amended version, the current edition of which is

shall mean a situation, such as a vessel adrift offshore without motive power, not in any immediate danger, that is in need of a "Category 1" tow but no other salvage services are needed, and it does not pose any immediate threat to the environment.

shall mean a situation, such as a vessel that is resting lightly aground in calm conditions so that there is no reasonable apprehension of immediate danger, with no (or minor) hull breaches that may need some minor patching, that can be refloated

(i) by internal shifting of ballast/bunkers or by the discharge of clean ballast into the sea or (ii) by means of lightening and towage assistance, and it does not pose any immediate threat to the environment.

shall mean a situation, such as a vessel or her cargo that is in imminent danger either because the ship or cargo is on fire (or there is a serious risk of either catching fire), there is a serious risk of sinking, a serious risk of explosion, an imminent risk of "Category 3" grounding, or where the vessel is more than lightly aground or threatening to become more than lightly aground, or where the vessel or her cargo require the discharge of all or part of the cargo or her bunkers, or where compartments have been flooded necessitating salvage skills over and above those envisaged in Categories 1 and 2; or where the vessel and/or her cargo may

constitute a threat of damage to the environment within the meaning of Article 14 of the Salvage Convention of 1989, but without the geographical limits set out in Article 1(d) of the Convention.

ARTICLE 3. RESPONSE READINESS OBLIGATIONS OF DONJON-SMIT DURING THE CONTRACT PERIOD

DONJON-SMIT shall, during the period of the contract:

- Maintain under the partner companies' full-time employ, or have available under other arrangements satisfactory to OWNER, personnel of suitable skill and experience;
- Maintain in partner company inventory or have available under other arrangements satisfactory to OWNER, items of material and equipment of suitable type and in reasonable quantity.
- Maintain, by contract or other means, shore-based facilities in the Port of New York/New Jersey, which shall include a pier or other secure berthing space for ships/crafts, and storage space for equipment to be used by DONJON-SMIT; and at Houston, Texas, a shore-based facility to support administrative capabilities and to provide equipment storage space for support of the work to be or being performed in the geographic zone, and maintain the facilities as bases of operations such that equipment, personnel, ships and other



- craft (e.g. barges, derrick barges, workboats, etc.) can be promptly deployed by land, sea or air as required and practical, and further provide containerized capability as may be required.
- (d) Provide ships, tugs, and other craft that may be required in connection with salvage, salvage-related towing, wreck removal, harbor clearance, fire-fighting, and/or pollution control/containment/abatement;
- (e) Upon notification to DONJON-SMIT of an incident requiring a salvage and/or firefighting response by OWNER, DONJON-SMIT agrees to and is capable of providing, and intends to commit to providing, the services that are listed in 33 Code of Federal Regulations (CFR) 155.4030(a) through 155.4030(h) to the OWNER and will make best endeavors to respond within the timeframes as specified in 33 CFR 155 Table 155.4030(b) and Table 155.4040(c) and defined in 33 CFR 155.4030 and 155.4040 always in compliance with the Oil Pollution Act of 1990.
- (f) Be capable of performing a minimum of two (2) simultaneous emergency response operations anywhere within the areas listed in Schedule B.

ARTICLE 4. DONJON-SMIT EXERCISE OBLIGATIONS

DONJON-SMIT shall be obligated to conduct exercises in accordance with the National Preparedness for Response Exercise Program (NPREP) guidelines, to include:

i. Shore-based salvage and shore-based marine firefighting management team tabletop exercise, at least annually; and

. Equipment deployment exercises at least annually.

ARTICLE 5. DONJON-SMIT ADMINISTRATIVE SERVICES OBLIGATIONS

- (a) DONJON-SMIT agrees to provide, either to each Schedule A-listed vessel's Qualified Individual or OWNER's Vessel Response Plan (VRP) preparer (as designated by OWNER), a Salvage and Firefighting Addendum (SFA) designed to be inserted into the existing VRP. The SFA shall demonstrate how DONJON-SMIT meets the specific requirements of 33 CFR 155.4030 sections (a) through (h). With inclusion of the SFA into the vessel response plan, the otherwise USCG approved VRP will meet all the requirements required in 33 CFR 155.4030 through 155.4045. Any deficiencies of the SFA identified by the Coast Guard will be corrected by DONJON-SMIT and provided to the plan submitter.
- (b) As part of the SFA, DONJON-SMIT shall provide the designated Qualified Individual a letter certifying that DONJON-SMIT, upon notification of an incident requiring a salvage and/or firefighting response by OWNER, agrees to and is capable of providing, and intends to commit to providing, the services that are listed in 33 Code of Federal Regulations (CFR) 155.4030(a) through 155.4030(h) to the OWNER. Further, these services will be provided to the best of DONJON-SMIT's capability, in accordance with the planning response timeframes listed in 33 CFR Table 155.4030(b), for each of the COTP zones listed in Schedule B.
- (e) OWNER agrees to provide DONJON SMIT the "Marine Firefighting Pre-Fire Plan" for each Schedule A-listed vessel at least 15 days prior to the date on which this agreement is to take effect. While DONJON-SMIT can assist in developing this plan on terms to be agreed, it is OWNER's responsibility to provide this plan in suitable form to DONJON-SMIT prior to contract signing.
- (d) If within 30 days of receipt of the Marine Fire-Fighting Pre-Fire Plan, DONJON-SMIT finds it unacceptable, a registered letter will be sent to OWNER suspending that ship from coverage until such time as the Marine Firefighting Pre-Fire Plan is corrected to the satisfaction of DONJON-SMIT. Otherwise, by signature on this contract, DONJON-SMIT certifies that the Pre-Fire Plans for Schedule Alisted vessels are acceptable and agrees to implement each vessel-specific plan to mitigate a potential or actual fire.
- (e) DONJON-SMIT shall provide its firefighting sub-contractor access to copies of the Marine Firefighting Pre-Fire Plan for each vessel listed in Schedule A.
- (f) DONJON-SMIT warrants that it will maintain agreements with public firefighting resource providers as indicated in Schedule B.

ARTICLE 6. DONJON-SMIT OBLIGATIONS IN THE EVENT OF AN EMERGENCY

- (a) DONJON-SMIT, upon notification of an incident requiring a salvage and/or firefighting response by OWNER, agrees to and is capable of providing, and intends to commit to providing, the services that are listed in 33 Code of Federal Regulations (CFR) 155.4030(a) through 155.4030(h) to the OWNER. Further, these services will be provided to the best of DONJON-SMIT's capability in accordance with the planning response timeframes listed in 33 CFR Table 155.4030(b), for each of the COTP zones listed in Schedule B under the following terms and conditions:
 - i) For Category 1 situations. On the basis of a TOWHIRE 2008 in the format as attached to this agreement in Annex I, suitably-amended. Personnel and equipment rates will be charged at the rates shown in Annex 5 'Rate Sheet' plus a 20% uplift. Reimbursement of all out of pocket expenses will be on a cost-plus-15% basis only and not subject to this 20% uplift.
 - ii) For Category 2 situations. On the basis of the WRECKHIRE 2010 contract at the Tariff rates in the format as attached to this agreement in Annex II, suitably-amended, Personnel and equipment rates will be charged at the rates shown in Annex 5 'Rate Sheet' plus a 25% uplift. Reimbursement of all out of pocket expenses will be on a cost-plus-15% basis only.
 - iii) For Category 3 situations. On the basis of an LOF 2011, with the SCOPIC clause incorporated, in the format as attached to this Agreement in Annex 3 without amendment.
 - iv) Inability to reach agreement as to the category applicable to a particular response will be handled in accordance with Article 7 below, but in no case will a response be delayed or altered pending such agreement.
 - v) Conflicts, if any, between the terms and conditions set out in the applicable form that governs DONJON-SMIT's response according to the category and those set out in this Agreement are to be resolved in favor of those in this Agreement.
- (b) Requests may include salvage-related towing, wreck removal, harbor clearance, fire-fighting and/or lightering services to include fendering, transfer equipment and portable pumps, for the account of OWNER and its underwriters. DONJON-SMIT, upon notification of an incident requiring a salvage and/or firefighting response by OWNER, agrees to and is capable of providing, and intends to commit to providing, the services that are listed in 33 Code of Federal Regulations (CFR) 155.4030(a) through 155.4030(h) to the OWNER. Further, these services will be provided to the best of DONJON-SMIT's capability, in accordance with the planning response timeframes listed in 33 CFR Table 155.4030(b), for each of the COTP zones listed in Schedule B. See also Article 8 below.
- (c) DONJON-SMIT shall be compensated for its services in accordance with the terms of the applicable contract form for the category of the response. DONJON-SMIT shall be secured for the amounts due in accordance with the security provisions of the appropriate contract form, and in any event shall have a fully enforceable maritime lien against the vessel, her cargo, bunkers, stores, and pending freight until substitute security suitable to DONJON-SMIT in amount and form has been posted.



ARTICLE 7. DISPUTES

- (a) In the event of a dispute between the parties as to which category a casualty may fall, DONJON-SMIT hereby agrees and undertakes to use its best endeavors promptly to commence and execute the salvage, firefighting, and/or lightering services and have the category decided, during or after completion of the services in the manner appearing hereafter.
- (b) For dispute arising under services rendered pursuant to this Agreement, OWNER and DONJON-SMIT agree they will:
 - i) Always attempt to settle amicably;
 - ii) In the event that they fail to settle amicably, they will always mediate; and
 - iii) In the event attempts to mediate fall, then disputes shall be decided by arbitration in the manner set forth in Article 11 hereafter.

ARTICLE 8. PLANNING STANDARDS

DONJON-SMIT agrees to and is capable of providing, and intends to commit to providing, the services that are listed in 33 Code of Federal Regulations (CFR) 155.4030(a) through 155.4030(h) to the OWNER. Further, these services will be provided to the best of DONJON-SMIT's oppobility, in accordance with the planning response timeframes listed in 33 CFR Table 155.4030(b), for each of the COTP zones listed in Schedule B. As defined in 33 CFR 155.4010(b), the timeframes referred to in Articles 3(e), 6(a) and 6(b) are planning criteria, not performance standards, and as such are based on assumptions that may or may not exist during an actual incident. DONJON-SMIT warrants that adequate response resources are available and positioned to meet response time planning criteria for the zones indicated in Schedule B, but does NOT warrant that these resources will always be available or meet the planning response time criteria in every incident.

ARTICLE 9. SERVICE RETAINER FEE PROVISION

OWNER shall pay to DONJON-SMIT an annual retainer fee of ZERO USD per vessel listed in Schedule A. If DONJON-SMIT decides to change the fee amount, DONJON-SMIT shall inform OWNER at least two months prior to contract renewal.

(a) Retainer fees shall be due and payable by OWNER 30 days after receipt of invoice from DONJON-SMIT.

ARTICLE 10. NON-EXCLUSIVE SERVICES

- (a) The parties agree that these services, including those of the personnel, equipment, and ships/craft offered by DONJON-SMIT to OWNER are not offered exclusively to OWNER and that DONJON-SMIT is free to contract with others for the provision of similar response services.
- (b) Further, the parties agree that the use of DONJON-SMIT as the OWNER's named salvor and marine firefighter is required under the regulatory language of 33 CFR Part 155 within the jurisdictional limits defined in that Part. If more than one primary provider is allowed, the parties agree that any of OWNER's listed primary providers within a COTP zone may be utilized by OWNER.

ARTICLE 11. CHOICE OF LAW AND JURISDICTION; ARBITRATION

This agreement shall be governed and construed according to English Law.

- (a) Any dispute arising under this Agreement that is not resolved amicably or through mediation, shall be submitted to arbitration in London in accordance with the Arbitration Act of 1996. In the case of a dispute arising under Article 6 (a) (iv), the parties may request an expedited proceeding before a sole arbitrator previously agreed by them to handle such disputes, or a sole arbitrator to whom they then agree if there has been no pre-selection. If they cannot agree on a sole arbitrator, then the Article 6(a) (iv) dispute shall be handled as other disputes under this agreement. In those and all other cases, the party requesting arbitration shall serve upon the other party a written demand for arbitration, whereupon the parties shall agree and jointly appoint one person to act as sole arbitrator. Failing such agreement within 14 (fourteen) days of the service of the written demand, the matter shall be referred to three arbitrators, one to be appointed by each of the parties hereto and the third by the two so chosen The appointed Arbitrator(s) shall deal with the proceedings as he(they) see(s) fit and his(their) decision shall be final and binding on the parties
- (b) The Arbitrator(s) shall have the discretion to impose the cost of the arbitration, including arbitrators and attorneys fees and expenses, upon the losing party or divide such between the parties on any terms which may appear just. Any decision or award rendered hereunder may be entered as a judgment of the Court. This this agreement including compelling arbitration or enforcement of arbitration awards, shall be subject to English Law.
- (c) Disputes arising in Category 1, Category 2 or Category 3 cases involving the terms of the TOWHIRE or WRECKHIRE or LOF contracts, shall be subject to English law and dealt with by the Arbitrator appointed by the Council of Lloyds (the Lloyd's Arbitrator) in London in the usual manner of Lloyd's Salvage Arbitration proceedings.

ARTICLE 12. GENERAL PROVISIONS

- (a) The person signing this Agreement on behalf of OWNER enters into this Agreement for the vessels listed in Schedule A and their respective owners and binds each (but not the one for the other or himself personally) to the due performance thereof.
- (b) The parties hereby evidence their agreement with the terms, rates and conditions stated herein by executing this Agreement in the spaces provided below.
- (c) In the event OWNER sells or disposes of any of the vessels which named in Schedule A and gives written certification that the vessel in question will not trade in the United States as part of OWNERs fleet for the duration of this Agreement, DONJON-SMIT agrees to delete that vessel from this Agreement and de-obligate the OWNER from any future payments relating to the deleted vessel, except for those payments accrued prior to the above-referenced certification.
- (d) In the event OWNER adds a vessel or group of vessels and wishes to have them or added as part of Schedule A, the charges for each additional vessel will be consistent with the payment breakdown as appears below for the duration of the Agreement. All other terms and conditions will remain in full effect.
- (e) Titles and Captions: All Article titles and captions contained in this Agreement are for convenience only and shall not be deemed part of the content nor affect the interpretation of this Agreement.

- Entire Agreement: This Agreement, including the Annexes and Schedules herewith and the documents and regulations referred to herein, contains the entire understanding between the parties and supersedes any prior understandings and agreements between them respecting the subject matter of this Agreement.
- Agreement Binding: This Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties (g)
- (h) Presumption: This Agreement or any section thereof shall not be construed against any party due to the fact that said Agreement or section was drafted by said party.
- Further Action: The parties hereto shall execute and deliver all documents, provide all information and take or forebear from all such action as may be necessary or appropriate to achieve the purposes of this Agreement.
- Savings Clause: If any provision of this Agreement, or the application of a provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it has been held invalid, shall not be affected thereby.
- Any notice required to be given hereunder will be given by hand delivery, facsimile, overnight mail, certified or registered mail, postage prepaid at the following addresses or such substitute addresses as are later supplied in writing:

If to:

DONJON-SMIT LLC 909 N. Washington St, Suite 301 Alexandria, VA 22314 U.S.A.

Attention: Noelle Driscoll, Contracts Administrator

If to:

G-Marine Service Co., Ltd.

25FI, 46, Chungjang-daero 9beon-gil, Jung-gu, Busan, 48936, Republic of Korea

JAE HEE, LEE / MANAGER

IN WITNESS WHEREOF, DONJON-SMIT and the OWNER have caused this Agreement to be executed by their duly authorized representative as of the day and year first above writton.

for OWNER

Signature JAE HEE, LEE

Name MANAGER

Title

for DONJON-SMIT LLC

Title



ANNEX 1 BIMCO TOWHIRE

I. Additional clauses from Schedule C are incorporated herein.

TOWHIRE 2008 BIMCO International Ocean Towage Agreement (Daily Hire) **PART I** 1. Date and place of Agreement 2. Tugowner/place of business (Cl. 1) 3. Hirer/place of business (Cl. 1) 4. Tow (name and type) (Cl. 1) Gross tonnage/displacement to 7. Flag and place of registry $\mathbf{6}_{\mathrm{m}}$ Maximum length/maximum breadth & towing draught (fore and aft) Registered owners General condition of tow 10. P&I liability insurers 12. Particulars of cargo and/or ballast and/or other property op board the tow 14. Flag and place of registry 13. Tug (name and type) (Cl. 1) 15. Gross tonnage 16. Classification Society 17. P&I liability insurers 18. Certificated bollard pull (If any) 19. Indicated BHP 20. Estimated daily average bunker oil consumption in good weather and smooth water (a) at full towing power with tow (b) at full see speed without tow 21. Winches and main towing gear 22. Nature of service(s) (Cl. 2) 25. Place of Destination (Cl. 12) 23. Place of Departure (Ci. 11) 24. Date of departure 26. Contemplated route (Cl. 22)

(continued)

TOWHIRE 2008 INTERNATIONAL OCEAN TOWAGE AGREEMENT (DAILY HIRE)

PART I

Notices (state number of hours/days notice of arrival of tug at Place of Departure to whom to be given)	28, Notices (state number of hours/days notice of arrival of tug and tow at Place of Destination to whom to be given)
29. Riding crew to be provided by (also state number to be provided) (Cl. 13)	30. If riding crew provided by Tugowner state amount per man per day payable by Hirer (Cl. 13)
31. Mobilisation payment (optional, only to be filled in if expressly agreed) (Cl. 3(d))	32. Demobilisation payment (optional, only to be filled in it expressly agreed) (Cl. 3(e))
33. Daily rate of hire and advance payment period(s) (Cl. 3(b)(i))	34. Payment of hire and for riding crew (if any) (state currency, mode of payment, place of payment and bank account) (Ci. 3(g))
35. Minimum period of hire, if any agreed	36. Commencement of period of hire (Cl. 3(a))
37. Termination of period of hire (Cl. 3(a))	38. Cancelling date agreed (CI 5(a))
39. Interest rate (%) per annum to run from (state number of days) after any sum is due (Cl. 9)	Financial security (state sum, by whom to be provided and when) (optional, only to be filled in if expressly agreed) (Cl. 10 and 21(iii))
41. Cost of bunker oil and lubricating oils (state whether included or excluded from (per litre for lubricating oils) (Cl. 4)	om daily rate of hire; if included state type of bunkers and cost per metric tonne
42. Termination fee (Cl. 20)	43. Dispute resolution (Cl. 31) (state whether alternative (a), (b) or (c) of Clause 31 agreed)
44. Numbers of additional clauses, covering special provisions, if agreed	
shall, subject to the terms and conditions of this Agreement which consists of PART	owner") and the party stated in Box 3 (hereinafter called "the Hirer") that the Tugowner I including additional clauses, if any agreed and stated in Box 44, PART II and Anney in. In the event of a conflict of terms and conditions, the provisions of PART I and any extent of such conflict but no further.

Signature (Tugowner)	Signature (Hirer)

1,	"Tugowner" means the party stated in Box 2. "Hirer" means the party stated in Box 3. "Tug" means the vessel or vessels as described in Boxes 13 to 16. "Tow" means one or more vessels or objects of whatsoever nature including anything carried thereon as described in Boxes 4 to 12. "Voyage" means the voyage described in Boxes 23 and 25.	2 3 4 5 6
2.	Basis of the Agreement The Tugowner agrees to render the service(s) to the Tow as set out in Box 22.	9
3.	Price and Conditions of Payment (a) The Hirer shall pay the Tugowner the amount of hire set out in Box 33 per day or pro rata for part of a day (hereinafter called the "Tug's Daily Rate of Hire") from the time stated in Box 36 until the time stated in Box 37.	10 11 12 13
	 (b) (i) The Tug's Daily Rate of Hire shall be payable in advance as set out in Box 33 all hire due hereunder shall be fully and irrevocably earned and non-returnable on a daily basis. 	14 15 16
	(ii) In the event of the Tug being lost, hire shall cease as of the date of the loss. If the date of the loss cannot be ascertained, then, in addition to any other sums which may be due, half the rate of hire shall be paid, calculated from the date the Tug was last reported until the calculated arrival of the Tug at her destination provided such period does not exceed 14 days.	17 18 19 20
	(iii) In the event of part of the Tow being lost, hire shall continue until the Tug arrives at its destination. In the event of the Tow being lost, hire shall continue until the Tug arrives at its destination or such nearer place, at the Tugowner's discretion, provided such period does not exceed 14 days.	21 22 23
	(c) Within I4 days of the termination of the services hereunder by the Tugowner, the Tugowner will if necessary adjust in conformance with the terms of this Agreement hire paid in advance. Any hire paid by the Hirer but not earned under this Agreement and which is refundable thereunder shall be refunded to the Hirer within 14 days of receipt of the Tugowner's adjustment of hire.	24 25 26 27
	(d) *If agreed, the Hire shall pay the sum set out in Box 31 by way of a mobilisation charge. This sum shall be paid on or before the commencement of the Tug's voyage to the place of departure, and shall be non-returnable, Tug and or Tow lost or not lost.	28 29 30
	(e) *If agreed, the Hirer shall pay the sum set out in Box 32 by way of a demobilisation charge. This amount shall be paid fow lost or not lost, on or before the termination by the Tugowner of his services under this Agreement.	3: 3:
	(f) The Hire and any other sums due and payable to the Tugowner under this Agreement (or any part thereof) shall be paid without any discount, deduction, set-off, lien, claim or counterclaim.	34 38
	(g) All-payments by the Hirer shall be made in the currency and to the bank account specified in Box 34.	3
	*Sub-clauses (d) and (e) are optional and shall only apply if agreed and stated in Box 31 and 32.	3
4.	*Bunkers (a) Daily Rate of Hire including Bunkers - Bunker Price Adjustment (i) In the event that the Daily Rate of Hire includes the cost of bunkers then this Agreement is concluded on the basis of the price per metric tonne of bunker oil stated in Box 41.	3 4 4
	(ii) If the price actually paid by the Tugowner for bunker oil consumed during the Voyage should be higher, the difference shall be paid by the Hirer to the Tugowners.	4
	(iii) If the price actually paid by the Tugowner for bunker oil consumed during the Voyage should be lower, the difference shall be paid by the Tugowner to the Hirer.	4 4
	(iv) The log book of the Tug and copies of the bunker supplier's invoices shall be conclusive evidence of the	4

	quantity of bunkers consumed and the prices actually paid.	47
(b) (i)	*Daily Rate of Hire excluding Bunkers In the event that the Daily Rate of Hire excludes the cost of bunkers then the Hirer shall pay to the Tugowner the cost of the bunkers and lubricants consumed by the Tug in fulfilling the terms of this Agreement.	48 49 50 51
(ii)	The Tug shall be delivered with sufficient bunkers and lubricants on board for the tow to the first bunkering port (if any) or destination and be re-delivered with not less than sufficient bunkers to reach the nearest bunkering port en route to the Tug's next port of call.	52 53 54
(iii)	The Hirer upon delivery and the Tugowner upon re-delivery shall pay for the bunkers and lubricants on board at the current contract price at the time at the port of delivery and re-delivery or at the nearest bunkering port.	55 56 57
(c) (i)	Bunker Quality If the Hirer supplies fuel it shall be of the specifications and grades stated in Box 41. The fuels shall be of a stable and homogeneous nature and unless otherwise agreed in writing, shall comply with ISO standard 8217:1996 or any subsequent amendments thereof as well as with the relevant provisions of MARPOL.	58 59 60 61 62
(ii)	The Chief Engineer shall co-operate with the Hirer's bunkering agents and fuel suppliers and comply with their requirements during bunkering, including but not limited to checking, verifying and acknowledging sampling, reading or soundings, meters etc. before, during and/or after delivery of fuels. During delivery four representative samples of all fuels shall be taken at a point as close as possible to the Tug's bunker manifold. The samples shall be labelled and sealed and signed by suppliers, Chief Engineer and the Hirer or their agents. Two samples shall be retained by the suppliers and one each by the Tug and the Hirer. If any claim should arise in respect of the quality or specification or grades of the fuels supplied, the samples of the fuels retained as aforesaid shall be analysed at an independent laboratory by a qualified analyst.	63 64 65 66 67 68 69 70
	b-clauses (a) and (b) are options. State agreed option in Box 41. If no option stated then sub-clause (b) all apply.	72 73
(a) Box	Should the Tug not be ready to commence the towage at the latest at midnight on the date indicated in a 38, the Hirer shall have the option of cancelling this Agreement and shall be entitled to claim damages detention if due to the wilful default of the Tugowner.	74 75 76 77
dela can not	Should the Tugowner anticipate that the Tug will not be ready, he shall notify the Hirer thereof without ay stating the expected date of the Tug's readiness and ask whether the Hirer will exercise his option to neel. Such option to cancel must be exercised within forty-eight (48) hours after the receipt of the Tugowner's rice, otherwise the third day after the date stated in the Tugowner's notice shall be deemed to be the new need date to commence the towage in accordance with this Agreement.	78 79 80 81 82
(a)	Clause for Tug and Tow The Tug shall not be obliged to force ice, but subject to the Tugowner's prior approval having regard to size, construction and class, it may follow ice-breakers.	83 84 85
ligh acc Tug dep uns	The Tug shall not be required to enter or remain in any ice bound port or area, nor any port or area where ats, lightships, markers or buoys have been, or are about to be withdrawn by reason of ice, nor where on count of ice there is, in the Tugmaster's sole discretion, a risk that, in the ordinary course of events, the gwill not be able to safely enter the place of departure to connect to the Tow, or depart from the place of parture with the Tow. In addition, if, on account of ice, the Tugmaster in his sole discretion considers it safe to proceed to, or to enter, the place of destination for fear of the Tug and/or Tow being frozen in and/damaged, he shall be at liberty to proceed to the nearest ice free port or safe place and there await the er's instructions.	86 87 88 89 90 91 92 93
	Any delay, deviation or additional expenses arising out of or in connection with the performance of a Agreement caused by or resulting from ice shall be for the Hirer's account and the Tug shall remain on e.	94 95 96

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	(d) Any additional insurance premiums and/or calls required by the Tug's insurers due to the Tug entering or remaining in any ice bound port or area shall be for the Hirer's account.	97 98
7.	Additional Charges and Extra Costs (a) The Hirer shall appoint his agents at the place of departure and place of destination and ports of call or refuge and shall provide such agents with adequate funds as required.	99 100 101
	(b) The Hirer shall bear and pay as and when they fall due:	102
	(i) All port expenses, pilotage charges, harbour and canal dues and all other expenses of a similar nature, including those incurred under the provisions of Clause 22(b) (Necessary Deviation), levied upon or payable in respect of the Tug and the Tow.	103 104 105
	(ii) All taxes, (other than those normally payable by the Tugowner in the country where he has his principal place of business and in the country where the Tug is registered) stamp duties or other levies payable in respect of or in connection with this Agreement or payments of hire or other sums payable under this Agreement or services to be performed under or in pursuance of this Agreement, any Customs or Excise duties and any costs, dues or expenses payable in respect of any necessary permits or licences.	106 107 108 109 110
	(iii) The cost of the services of any assisting tugs when deemed necessary by the Tugmaster or prescribed by Port or other Authorities.	111 112
	(iv) All costs and expenses necessary for the preparation of the Tow for towing (including such costs or expenses as those of raising the anchor of the Tow or tending or casting off any moorings of the Tow).	113 114
	(v) The cost of insurance of the Tow.	115
	(c) All taxes, charges, costs, and expenses payable by the Hirer shall be paid by the Hirer direct to those entitled to them. If, however, any such tax, charge, cost or expense is in fact paid by or on behalf of the Tugowner (notwithstanding that the Tugowner shall under no circumstances be under any obligation to make such payments on behalf of the Hirer) the Hirer shall reimburse the Tugowner on the basis of the actual cost to the Tugowner upon presentation of invoice.	116 117 118 119 120
8.	War Risk Escalation Clause The rate of hire is based and assessed on all war risk insurance costs applicable to the Tugowner in respect of the contemplated voyage in effect on the date of this Agreement. In the event of any subsequent increase or decrease in the actual costs, the Hirer or the Tugowner, as the case may be, shall reimburse to the other the amount of any increase or decrease in such war risk insurance costs.	123
9.	Interest If any amounts due under this Agreement are not paid when due, then interest shall accrue and shall be paid in accordance with the provisions of Box 39, on all such amounts until payment is received by the party to whom it is due	126 127 128 129
10.	*Financial Security The Hirer undertakes to provide, if required by the Tugowner, security to the satisfaction of the Tugowner in the form and in the sum, at the place and at the time indicated in Box 40 as a guarantee for due performance of the Agreement. Such security shall be returned to the guarantor when the Hirer's financial obligations under this Agreement have been met in full. (*Optional, only applicable if Box 40 filled in).	130 131 132 133 134 135
11.	Place of Departure (a) The Tow shall be tendered to the Tugowner at the Place of Departure stated in Box 23.	136 137
	(b) The place of connection and departure shall always be safe and accessible for the Tug to enter, to operate in and for the Tug and Tow to leave and shall be a place where such Tug is permitted to commence the towage in accordance with any local or other rules, requirements or regulations and shall always be subject to the approval of the Tugowner which shall not be unreasonably withheld.	139

	(and)	
2.	Place of Destination (a) The Tow shall be accepted and taken over by the Hirer immediately upon arrival at the Place of Destination stated in Box 25.	142 143 144
	(b) The place of disconnection shall always be safe and accessible for the Tug and Tow to enter, to operate in, and for the Tug to leave and shall be a place where such Tug is permitted to redeliver the Tow in accordance with any local or other rules, requirements or regulations and shall always be subject to the approval of the Tugowner, which shall not be unreasonably withheld.	145 146 147 148
3.	Riding crew (a) Riding crew for the Tow, if so requested by the Hirer, shall be provided by the party stated in Box 29. The number of riding crew shall be as stated in Box 29. All costs and expenses for such personnel will be for the account of the Hirer and such personnel shall be at all times under the orders of the Tugmaster. If the riding crew are provided by the Tugowner the Hirer shall pay to the Tugowner the amount per man per day stated in Box 30. If the riding crew are provided by the Hirer they shall not be deemed to be the servants or agents of the Tugowner. Permission for the Hirer to provide a riding crew on the Tow as well as the composition and suitability of the riding crew shall always be in the discretion of the Tugowner.	149 150 151 152 153 154 155 156
	(b) It shall be the Hirer's responsibility to provide the riding crew with suitable accommodation, food, fresh water, life saving appliances and all other requirements as necessary to comply with the laws and regulations of the Flag of the Tug and/or Tow and of the States through the territorial waters of which the Tug will pass or enter. It is a requirement that the members of the riding crew shall be able to speak and understand a language which is mutual to the Tug and Tow.	157 158 159 160 161
	(c) In the event that the Tugowner provides a riding crew for the Tow for its own purposes, all costs and expenses for such personnel shall be for the account of the Tugowner.	162 163
 4 .	Towing Gear and Use of Tow's Gear (a) The Tugowner agrees to provide free of cost to the Hirer the use of all tow wires, bridles and other towing gear carried on board the Tug for the purpose of the towage or other services to be provided under this Agreement. The Tow shall be connected up in a manner within the discretion of the Tugmaster.	164 165 166 167
	(b) The Tugowner may make reasonable use at his discretion of the Tow's gear, power, anchors, anchor cables, radio, communication and navigational equipment and all other appurtenances free of cost during and for the purposes of the towage or other services to be provided under this Agreement.	168 169 170
	(c) The Hirer shall pay for the replacement of any towing gear and accessories should such equipment become lost, damaged or unserviceable during the service(s), other than as a result of the Tugowners' negligence.	171 172 173
15.	Permits and Certification (a) The Hirer shall arrange at his own cost and provide to the Tugowner all necessary licences, authorisations and permits required by the Tug and Tow to undertake and complete the contractual voyage together with all necessary certification for the Tow to enter or leave all or any ports of call or refuge on the contemplated voyage.	174 175 176 177 178
	(b) Any loss or expense incurred by the Tugowner by reason of the Hirer's failure to comply with this Clause shall be reimbursed by the Hirer to the Tugowner and during any delay caused thereby the Tug shall remain on hire.	179 180 181
16.	Tow-worthiness of the Tow (a) The Hirer shall exercise due diligence to ensure that the Tow shall, at the commencement of the towage, be in all respects fit to be towed from the place of departure to the place of destination.	182 183 184
	(b) The Hirer undertakes that the Tow will be suitably trimmed and prepared and ready to be towed at the time when the Tug arrives at the place of departure and fitted and equipped with such shapes, signals, navigational and other lights of a type required for the towage.	185 186 187
	(c) The Hirer shall supply to the Tugowner or the Tugmaster, on the arrival of the Tug at the place of departure a certificate of tow-worthiness for the Tow issued by a recognised firm of Marine Surveyors or Survey Organisation, provided always that the Tugowner shall not be under any obligation to perform the	188 189 190

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	towage until in his discretion he is satisfied that the Tow is in all respects trimmed, prepared, fit and ready for towage but the Tugowner shall not unreasonably withhold his approval.	191 192
	(d) No inspection of the Tow by the Tugowner shall constitute approval of the Tow's condition or be deemed a waiver of the foregoing undertakings given by the Hirer.	193 194
17.	Seaworthiness of the Tug The Tugowner will exercise due diligence to tender the Tug at the place of departure in a seaworthy condition and in all respects ready to perform the towage, but the Tugowner gives no other warranties, express or implied.	195 196 197 198
18.	Substitution of Tugs The Tugowner shall at all times have the right to substitute any tug or tugs for any other tug or tugs of adequate power (including two or more tugs for one, or one tug for two or more) at any time whether before or after the commencement of the towage or other services and shall be at liberty to employ a tug or tugs belonging to other tugowners for the whole or part of the towage or other service contemplated under this Agreement. Provided however, that the main particulars of the substituted tug or tugs shall be subject to the Hirer's prior approval, but such approval shall not be unreasonably withheld.	199 200 201 202 203 204 205
19.	Salvage (a) Should the Tow break away from the Tug during the course of the towage service, the Tug shall render all reasonable services to re-connect the towline and fulfil this Agreement without making any claim for salvage.	206 207 208 209
	(b) If at any time the Tugowner or the Tugmaster considers it necessary or advisable to engage salvage services from any vessel or person on behalf of the Tug or Tow, or both, the Hirer hereby undertakes and warrants that the Tugowner or his duly authorised servant or agent including the Tugmaster have the full actual authority of the Hirer to accept such services on behalf of the Tow on any reasonable terms. Where circumstances permit the Tugowner shall consult with the Hirer on the need for salvage services for the Tow.	210 211 212 213 214
20.	Termination by the Hirer (a) At any time prior to the departure of the Tow from the place of departure the Hirer may terminate this Agreement upon payment of the termination fee set out in Box 42. If termination takes place whilst the Tug is en route to the place of departure or after the Tug has arrived at or off the place of departure then in addition to the said termination fee the Hirer shall pay any additional amounts due under this Agreement.	215 216 217 218 219
	(b) In the even that the towage operation is terminated after departure from the place of departure, but before the Towarrives at the place of destination without fault on the part of the Tugowner, his servants or agents, the Tugowner shall be entitled to be paid, and if already paid to retain, all sums payable according to Box 33 and any other amounts due under this Agreement. The above amounts are in addition to any damages the Tugowner may be entitled to claim for breach of this Agreement.	220 221 222 223 224
21.	Termination by the Tugowner (a) The Tugowner may without prejudice to any other remedies he may have, withdraw from and terminate this Agreement and leave the Tow in a place where the Hirer may take repossession of it and be entitled to payment of cancellation fee or hire, whichever is the greater, and all other payments due under this Agreement, upon any one or more of the following grounds:	225 226 227 228 229
	(i) If there is any delay or delays (other than delay caused by the Tug) at the place of departure exceeding in aggregate fourteen (14) days.	230 231
	(ii) If there is any delay or delays (other than a delay caused by the Tug) at any port or place of call or refuge exceeding in aggregate fourteen (14) days.	232 233
	(iii) If the financial security as may be required according to Box 40 is not given within seven (7) running days of the Tugowner's request to provide security.	234 235
	(iv) If the Hirer has not accepted the Tow within seven (7) running days of arrival at the place of destination.	236
	(v) If any amount payable under this Agreement has not been paid within seven (7) running days of the date	237

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such sums are due.

	(b) Before exercising his option of withdrawing from this Agreement as aforesaid, the Tugowner shall give the Hirer 48 hours' notice of his intention so to withdraw.	239
22.	Necessary Deviation (a) If the Tug during the course of the towage or other service under this Agreement puts into a port or place or seeks shelter or is detained or deviates from the original route as set out in Box 26 because either the Tugowner or Tugmaster reasonably consider	241 242 243 244
	(i) that the Tow is not fit to be towed; or	245
	(ii) the towing connection requires rearrangement; or	246
	(iii) repairs or alterations to or additional equipment for the Tow are required to safeguard the venture and enable the Tow to be towed to destination; or	247 248
	(iv) it would not be prudent to do otherwise on account of weather conditions actual or forecast; or	249
	because of any other good and valid reason outside the control of the Tugowner or Tugmaster, or because of any delay caused by or at the request of the Hirer, this Agreement shall remain in full force and effect.	251
	(b) The Tug shall at all times be at liberty to go to the assistance of any vessel in distress for the purpose of saving life or property or to call at any port or place for bunkers repairs, supplies, or any other necessaries or to land disabled seamen, but if towing the Tug shall leave the Tow in a safe place and during such period this Agreement shall remain in full force and effect, including the provisions of Clause 7(b)(i), but any period so spent by the Tug in fulfilling or attempting to fulfill the purposes permitted by this sub-paragraph other than for normal replenishment of bunkers or fresh water or supplies shall not entitle the Tugowner to recover from the Hirer the Daily Rate of Hire for the said period.	253 d 254 d 255 d 256
	(c) Any deviation howsoever or whatsoever by the Tug or by the Tugowner not expressly permitted by the terms and conditions of this Agreement shall not amount to a repudiation of this Agreement and the Agreement shall remain in full force and effect notwithstanding such deviation, save that no hire shall be paid for the period of such deviation, and shall be without prejudice to any other remedies which the Hirer may have against the Tugowner.	t 260 e 261
23.	 (i) The Tugowner will indennify the Hirer in respect of any liability adjudged due or claim reasonable compromised arising out of injury or death of any of the following persons, occurring during the towage or other service hereunder, from arrival of the Tug at the pilot station or customary waiting place of anchorage at the Place of Departure (whichever is sooner), until disconnection at the Place of Destination however such geographic and/or time limits shall not apply to sub-clause 25(a)(i)(2) below: (1) The Master and members of the crew of the Tug and any other servant or agent of the Tugowner (2) The members of the riding crew provided by the Tugowner or any other person whom the Tugowner (2) The members of the riding crew provided by the Tugowner or any other person whom the Tugowner (2) The members of the riding crew provided by the Tugowner or any other person whom the Tugowner (3) 	e 267 er 268 i, 269 270 271
	provides on board the Tow; (3) Any other person on board the Tug who is not a servant or agent of the Hirer or otherwise on boar on behalf of or at the request of the Hirer.	273 d 274 275
	(ii) The Hirer will indemnify the Tugowner in respect of any liability adjudged due or claim reasonable compromised arising out of injury or death occurring during the towage or other service hereunder of any of the following persons:	y 276 of 277 278
	(1) The Master and members of the crew of the Tow and any other servant or agent of the Hirer;	279
	(2) Any other person on board the Tow for whatever purpose except the members of the riding crew of any other persons whom the Tugowner provides on board the Tow pursuant to their obligations under this Agreement.	or 280 er 281 282

(The following shall be for the sole account of the Tugowner without any recourse to the Hirer, his servants, or agents, whether or not the same is due to any breach of contract, negligence or any other fault on the part of the Hirer, his servants or agents:	283 284 285 286
	(1) Save for the provisions of Clause 14 (c), loss or damage of whatsoever nature, howsoever caused to or sustained by the Tug or any property on board the Tug.	287 288
	(2) Loss or damage of whatsoever nature caused to or suffered by third parties or their property by reason of contact with the Tug or obstruction created by the presence of the Tug.	289 290
	(3) Loss or damage of whatsoever nature suffered by the Tugowner or by third parties in consequence of the loss or damage referred to in (1) and (2) above.	291 292
	(4) Any liability in respect of wreck removal or in respect of the expense of moving or lighting or buoying the Tug or in respect of preventing or abating pollution originating from the Tug.	293 294
	The Tugowner will indemnify the Hirer in respect of any liability adjudged due to a third party or any claim by a third party reasonably compromised arising out of any such loss or damage. The Tugowner shall not in any circumstances be liable for any loss or damage suffered by the Hirer or caused to or sustained by the Tow in consequence of loss or damage howsoever caused to or sustained by the Tug or any property on board the Tug.	295 296 297 298 299
(The following shall be for the sole account of the Hirer without any recourse to the Tugowner, his servants or agents, whether or not the same is due to any breach of contract (including as to the seaworthiness of the Tug), negligence or any other fault on the part of the Tugowner, his servants or agents:	300 301 302
	(1) Loss or damage of whatsoever nature, howsoever caused to or sustained by the Tow.	303
	(2) Loss or damage of whatsoever nature caused to or suffered by third parties or their property by reason of contact with the Tow or obstruction created by the presence of the Tow.	304 305
	(3) Loss or damage of whatsoever nature suffered by the Hirer or by third parties in consequence of the loss or damage referred to in (1) and (2) above.	306 307
	(4) Any liability in respect of wreck removal or in respect of the expense of moving or lighting or buoying the Tow or in respect of preventing or abating pollution originating from the Tow.	308 309
(The Hirer will indemnify the Tugowner in respect of any liability adjudged due to a third party or any claim by a third party reasonably compromised arising out of any such loss or damage but the Hirer shall not in any circumstances be liable for any loss or damage suffered by the Tugowner or caused to or sustained by the Tug in consequence of loss or damage howsoever caused to or sustained by the Tow.	310 311 312 313
(Save for the provisions of Clauses 15, (Permits & Certification); 16, (Tow-worthiness of the Tow); 17, eaworthiness of the Tug); 20 (Termination by the Hirer) and 21 (Termination by the Tugowner), neither the igowner nor the Hirer shall be liable to the other party for	314 315 316
(any loss of profit, loss of use or, loss of production whatsoever and whether arising directly or indirectly from the performance or non performance of this Agreement, and whether or not the same is due to negligence or any other fault on the part of either party, their servants or agents, or	317 318 319
(any consequential loss or damage for any reason whatsoever, whether or not the same is due to any breach of contract, negligence or any other fault on the part of either party, their servants or agents.	320 321
á	Notwithstanding any provisions of this Agreement to the contrary, the Tugowner shall have the benefit all limitations of, and exemptions from, liability accorded to the owners or chartered owners of vessels by applicable statute or rule of law for the time being in force and the same benefits are to apply regardless the form of signatures given to this Agreement.	322 323 324 325
	malaya Clause I exceptions, exemptions, defences, immunities, limitations of liability, indemnities, privileges and conditions	326 327

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granted or provided by this Agreement or by any applicable statute rule or regulation for the benefit of the 328 329 Tugowner or Hirer shall also apply to and be for the benefit of: (a) demise charterers, sub-contractors, operators, Master, officers and crew of the Tug or Tow and, 330 331 (b) all bodies corporate, parent of, subsidiary to, affiliated with or under the same management as either the Tugowner or Hirer, as well as all directors, officers, servants and agents of the same and 332 (c) all parties performing services within the scope of this Agreement for or on behalf of the Tug or Tugowner 333 334 or Hirer as servants, agents and sub-contractors of such parties. The Tugowner or Hirer shall be deemed to be acting as agent or trustee of and for the benefit of all such 335 persons, entities and vessels set forth above but only for the limited purpose of contracting for the extension 336 of such benefits to such persons, bodies and vessels. 337 War and Other risks 338 339 (a) For the purpose of this Clause, the words: "War Risks" shall include any actual, threatened or reported: 340 war; act of war; civil war; hostilities; revolution; rebellion; civil commotion; warlike operations; laying of 341 mines; acts of piracy; acts of terrorists; acts of hostility or malicious damage; blockages (whether imposed 342 against all vessels or imposed selectively against vessels of certain flags or ownership, or against 343 certain cargoes or crews or otherwise howsoever); by any person, body, terrorist or political group, or 344 the Government of any State whatsoever, which, in the reasonable judgement of the Master and/or the 345 Tugowners, may be dangerous or are likely to be or to become dangerous to the Tug, her Tow, crew or 346 other persons on board the Tug or Tow. 347 348 (ii) "Other Risks" shall include any actual, threatened or reported: arrest or restraint of princes, rulers or people insurrections; riots or civil commotions; disturbances; 349 acts of God; epidemics; quarantine; labour troubles; labour obstructions; strikes; lock-outs; embargoes; 350 seizure of the Tow under legal process of for any other cause outside the control of the Tugowner as 351 a result of which it would be impossible or unsafe or commercially impracticable for the Tug or Tow or 352 both to enter or attempt to enter or leave or attempt to leave the place of departure or any port or place 353 354 of call or refuge or to reach or attempt to reach or enter the port or place of destination of the Tow and there deliver the Tow and leave again, all of which safely and without unreasonable delay, the Tug may 355 leave the Tow or any part thereof at the place of departure or any other port or place where the Hirer 356 may take repossession and this shall be deemed a due fulfilment by the Tugowner of this Agreement 357 and any outstanding sums and all extra costs of delivery at such place and any storage costs incurred 358 by the Tugowner shall thereupon become due and payable by the Hirer. 359 360 (b) The Tug, unless pror written consent of the Tugowners has first been obtained, shall not be required to continue to or through, any port, place, area or zone (whether of land or sea), or any waterway or canal, 361 362 where it appears that the Tug, her Tow, the crew or other persons on board the Tug or Tow, in the reasonable judgement of the Master and/or the Tugowners, may be, or are likely to be, exposed to War or Other Risks. 363 Should the Tug be within any such place as aforesaid, which only becomes subject to War or Other Risks, 364 or is likely to be or to become subject to War or Other Risks, after her entry into it, she shall be at liberty to 365 366 leave such place or area. 367 (c) The Tugowners may effect war risks insurance in respect of the Hull and Machinery of the Tug and their 368 other interests (including, but not limited to, loss of earnings and detention, the crew and their Protection 369 370 and Indemnity Risks), and the premiums and/or calls therefor shall be for their account. (ii) If the Underwriters of such insurance should require payment of additional premiums and/or calls because, 371 pursuant to the Hirers' orders, the Tug is within, or is due to enter and remain within, or pass through 372 any area or areas which are specified by such Underwriters as being subject to additional premiums 373 because of War Risks, then the actual additional premiums and/or calls paid shall be reimbursed by the 374 Hirers to the Tugowners at the same time as the next payment of hire is due, or upon delivery of the 375 376 Tow, whichever occurs first.

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	TOWHIRE 2008 (Daily Rate)	
ridin area by t	If the Tugowners become liable under the terms of employment to pay to the crew of the Tug, or any ag crew of the Tow, any War Risk related bonus or additional wages in respect of sailing into a War Risk a, then the actual War Risk related bonus or additional wages paid shall be reimbursed to the Tugowners the Hirers at the same time as the next payment of hire is due, or upon delivery of the Tow, whichever urs first.	377 378 379 380 381
(e)	The Tug shall have liberty:-	382
(i)	to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Tug sails, or other Government to whose laws the Tugowners are subject, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;	383 384 385 386 387
(ii)	to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;	388 389
(iii)	to comply with the terms of any resolution of the Security Council of the United Nations, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Tugowners are subject, and to obey the orders and directions of those who are charged with their enforcement;	390 391 392 393
(iv)	to call at any other port to change the crew or any part thereof or other persons on board the Tug or Tow when there is reason to believe that they may be subject to internment, imprisonment or other sanctions.	394 395
ther	If the performance of this Agreement or the voyage to the place of departure would in the ordinary course events require the Tug and/or Tow to pass through or near to an area where after this Agreement is made re is or there appears to be danger of such area being blocked or passage through being restricted or de hazardous by the War or Other Risks then:	396 397 398 399
(i)	The Tug shall not be required to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to search and/or confiscation.	400 401 402 403
(ii)	If the Tug has not entered such area en route to the place of departure, or having entered has become trapped therein for a period of more than fourteen (14) days, either party hereto shall be entitled to terminate this Agreement by giving notice in which event, save for liabilities already accrued, neither party shall be under any further liability to the other but the Tugowner shall not be bound to repay to the Hirer any payments already made and all amounts due shall remain payable.	404 405 406 407 408
(M)	If the Tug and Tow whilst en route to the place of destination have not entered such area during the course of the towage or other service the Hirer shall continue to pay the Daily Rate of Hire for every day by which the towage is prolonged by reason of waiting for such area to become clear and/or safe and/or by reason of proceeding by a longer route to avoid or pass such area in safety.	409 410 411 412
(iv)	If the Tug and Tow whilst en route to the place of destination have become trapped in such area during the course of the towage or other service either party shall, after a period of fourteen (14) days from the commencement of such trapping, be entitled to terminate this Agreement by telex, cable or other written notice, in which event, save for liabilities already accrued, neither party shall be under any further liability to the other but the Tugowner shall not be bound to repay to the Hirer any payment already made and all amounts due shall remain payable.	413 414 415 416 417 418
	If in accordance with their rights under the foregoing provisions of this Clause, the Tugowners refuse to ceed from the place of departure or to the place of destination, or any one or more of them, they shall	419 420

proceed from the place of departure or to the place of destination, or any one or more of them, they shall immediately notify the Hirers requesting them to nominate a place for redelivery of the Tow. Failing such nomination by the Hirers within 48 hours of the receipt of such notice and request, the Tugowners may redeliver the Tow at any place where the Hirer can take repossession of the Tow.

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(h) If in compliance with any of the provisions of this Clause anything is done or not done, such shall not be deemed a deviation, but shall be considered as due fulfilment of this Agreement.

26.	Lien Without prejudice to any other rights which he may have, whether <i>in rem</i> or <i>in personam</i> , the Tugowner, by	426 427
	himself or his servants or agents or otherwise shall be entitled to exercise a possessory lien upon the Tow in	428
	respect of any sum howsoever or whatsoever due to the Tugowner under this Agreement and shall for the	429
	purpose of exercising such possessory lien be entitled to take and/or keep possession of the Tow; provided	430 431
	always that the Hirer shall pay to the Tugowner by himself or his servants or agents or otherwise all reasonable costs and expenses and all costs of recovering same, including legal fees, howsoever or whatsoever incurred	432
	by or on behalf of the Tugowner by himself or his servants or agents or otherwise in exercising or attempting	433
	or preparing to exercise such lien and the Tugowner by himself or his servants or agents or otherwise shall	434
	be entitled to receive from the Hirer the Tug's Daily Rate of Hire throughout any reasonable delay to the Tug	435
	resulting therefrom.	436
27.	Warranty of Authority	437 438
	If at the time of making this Agreement or providing any service under this Agreement other than towing at the request, express or implied, of the Hirer, the Hirer is not the Owner of the Tow referred to in Box 4, the	439
	Hirer expressly represents that he is authorised to make and does make this Agreement for and on behalf	440
	of the Owner of the said Tow and agrees that both the Hirer and the Owner of the Tow are bound jointly and	441
	severally by the provisions of this Agreement.	442
28.	General (1) A series of about the confidence of about	443 444
	(a) If any one or more of the terms, conditions or provisions in this Agreement or any part thereof shall be held to be invalid, void or of no effect for any reason whatsoever, the same shall not affect the validity of the	444
	remaining terms, conditions or provisions which shall remain and subsist in full force and effect.	446
	(b) For the purpose of this Agreement unless the contex otherwise requires the singular shall include the	447
	plural and vice versa.	448
00	Time for Only	449
29.	Time for Suit (a) Save for the indemnity provisions under Clause 23 (Liability and Indemnity) of this Agreement, any	449
	claim which may arise out of or in connection with this Agreement or of any towage or other service to be	451
	performed hereunder shall be notified within 6 months of delivery of the Tow or of the termination of the	452
	towage or other service for any reason whatever, and any suit shall be brought within one year of the time	453
	when the cause of action first arose. If either of these conditions is not complied with the claim and all rights	454
	whatsoever and howsoever shall be absolutely barred and extinguished.	455
	(b) Any extension of time granted by the Tugowner to the Hirer or any indulgence shown relating to the	456
	time limits set out in this Agreement shall not be a waiver of the Tugowner's right under this Agreement to	457
	act upon the Hirer's failure to comply with the time limits.	458
30. I	BIMCO ISPS/MTSA Clause 2005	459
	(i) The Tugowner shall comply with the requirements of the International Code for the Security of Ships	460 461
	(i) The Tugowner shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to	462
	the Tug and "the Company" (as defined by the ISPS Code). If trading to or from the United States or	463
	passing through United States waters, the Tugowner shall also comply with the requirements of the US	464
	Maritime Transportation Security Act 2002 (MTSA) relating to the Vessel and the "Owner" (as defined	465
	by the MTSA).	466
	(ii) Upon request the Tugowner shall provide the Hirer with a copy of the relevant International Ship Security	467
	Certificate (or the Interim International Ship Security Certificate) and the full style contact details of the	468
	Company Security Officer (CSO).	469
	(iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused	470
	by failure on the part of the Tugowner or "the Company"/"Owner" to comply with the requirements of the	471 472
	ISPS Code/MTSA or this Clause shall be for the Tugowner's account, except as otherwise provided in this Agreement.	472
	and Agreement.	
	(b)	474
	(i) The Hirer shall provide the Tugowner and the Tugmaster with their full style contact details and, upon	475
	request, any other information the Tugowner requires to comply with the ISPS Code/MTSA. Where sub-	476
	letting is permitted under the terms of this Agreement, the Hirer shall ensure that the contact details of all	477

sub-hirers are likewise provided to the Tugowner and the Tugmaster. Furthermore, the Hirer shall ensure that all sub-lets they enter into during the period of this Agreement contain the following provision:

"The Hirer shall provide the Tugowner with their full style contact details and, where sub-letting is permitted under the terms of the agreement, shall ensure that the contact details of all sub-hirers are likewise 481 provided to the Tugowners".

- (ii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Hirer to comply with this Clause shall be for the Hirer's account, except as otherwise provided in this Agreement.
- (c) Notwithstanding anything else contained in this Agreement, all delay, costs of expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be for the Hirer's account, unless such delay, costs or expenses result solely from the negligence of the Tugowner, Tugmaster or crew. All measures required by the Tugowner to comply with the Ship Security Plan shall be for the Tugowner's account.
- (d) If either party makes any payment which is for the other party's account according to this Clause, the other party shall indemnify the paying party.

31. BIMCO Dispute Resolution Clause

(a) *This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause. The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced. The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

(b) This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.

- (c) *This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.
- (d) Notwithstanding (a), (b) or (c) above, the parties may agree at any time to refer to mediation any difference

and	d/or dispute arising out of or in connection with this Agreement.	528
	he case of a dispute in respect of which arbitration has been commenced under (a), (b) or (c) above, the owing shall apply:	529 530
(i)	Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.	531 532 533
(ii)	The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.	534 535 536 537 538 539
(iii)	If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.	540 541 542
(iv)	The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.	543 544
(v)	Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.	545 546 547
(vi)	Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.	548 549
(vii)) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.	550 551 552
(No	ote: The parties should be aware that the mediation process may not necessarily interrupt time limits.)	553
	If Box 43 is not appropriately filled in sub-clause (a) of this Clause shall apply. Sub-clause (d) shall apply all cases.	554 555
*No	ote: Sub-clauses (a) (b) and (c) are alternatives; indicate alternative agreed in Box 43.	556
Eith rem	curity for Claims her party shall have the option to bring proceedings in rem, but only to obtain security or other similar nedy for claims arising under this Agreement against any vessel or property owned by the other party in y state or jurisdiction where such vessel or property may be found.	557 558 559 560
(a)	MCO Notices Clause All notices given by either party or their agents to the other party or their agents in accordance with the ovisions of this Agreement shall be in writing.	561 562 563 564
not	For the purposes of this Agreement, "in writing" shall mean any method of legible communication. A tice may be given by any effective means including, but not limited to, cable, telex, fax, e-mail, registered recorded mail, or by personal service.	565 566 567

32.

33.

1. General		
(a) Vessel's name	Previous name(s):	
(b) Builder:	Year:	
(c) Type:	Modification(s):	
(d) Classification and Society:		
(e) Flag:	Port of registry:	
(f) Date of next scheduled drydocking:	\wedge	
(g) LR/IMO number:		
2. Performance		
(a) Bollard pull (tonnes):	Certificate date:	
(b) Speed/Consumption (so ballast): Daily fuel consu	umption in fair weather, per 24 hours:	
Maximum speed: knots	tonnes plus	litres luboil
Economic speed: knots	tonnes plus	litres luboil
Standby (main engines secured):	tonnes plus	litres luboil
(c) Type(s) and grade of fuel and lubeoil used:		

3. Dimensions and capacities			
(a) L.O.A. (metres):	Breadth (metres):		Depth (metres):
Max draught, metres:		Minimum draught, metre	s:
(b) Deadweight (metric tonnes):		(c) GT/NT:	
(d) Suez/Panama tonnages:		Certificate(s):	
(e) Tank capacities (cubic metres):		\rangle	
Fuel maximum:			
Fresh water:		\ <u>\</u>	

4.	Machinery
(a)	BHP/Number of engines:
(b)	Engine builder:
(c)	Generators:
(b)	Bow thruster(s):
(e)	Stern thruster(s):
(f)	Propellers/Rudders:

5. Towing equipment	
(a) (i) Towing winches (type/make):	
	¥1
(ii) Stern roller:	
(iii) Shark jaws:	(iv) Towing pins:
(b) Towing wires and equipment:	
(i) Towing wires and equipment:	(ii) Certificate numbers and dates:
(c) Main tow wires:	
(d) Spare tow wires(s) (state if on/off winch):	
(e) Pennants, chains, bridles and other towing equipment:	
\sim	

6. Navigation and communication	equipment:	¥	
Rader 1:		Radar 2:	
Radar 1:		Rauai 2.	
DGPS navigator:		AIS:	\wedge
			7 /
SSAS:		ECDIS:	
			>
Chart plotter:			
Echo sounder:		Gyro compass:	
Magnetic compass:		Speed log:	
	$\langle 0 \rangle \langle$		
SSB:		VHF:	
GMDSS:			
GMDSS:	\searrow		
(2)			
Satcong:	Tel:	Fax:	E-mail:
Mobile phone(s):			
Tab			
Other and Market			
Other e.g., Navtex:			

7. Fire fighting equipment:	
(a) Class:	Water spray:
(b) Portable:	
(c) Monitors:	
8. Accommodation:	
(a) Crew:	(b) Passengers:
(c) Cabins:	(d) Air conditioned (yes/no)
(e) Heating:	
(f) Hospital:	
9. Standby/Rescue and safety equipment:	
Lifeboat(s)/Workboat:	
Zodiac/RIB:	
Survival suits and equipment:	

ANNEX 2 BIMCO WRECKHIRE CONTRACT

I. Additional clauses from Schedule C are incorporated herein.

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WRECKHIRE

INTERNATIONAL WRECK REMOVAL AND MARINE SERVICES AGREEMENT (DAILY HIRE)

	PARTI
1. Place and Date of Agreement	
2. Contractor/Place of Business	3. Company/Place of Business
4. Vessel Specifications (<u>Cl. 1</u> , <u>2</u> , <u>4</u>)	
(i) Name	(ii) Flag
(iii) IMO number	(iv) Place of Registry
(v) Length/Bean /Dép n	(vi) Maximum Draft
(vii) GT/NT/DWT	(viii) Details and Nature of Cargo
(ix) P&I Club/insurer(Cl. 23 (b))	(x) Any other Vessel details relevant to this Agreement
5. Condition of Vessel (Cl. 2, 4)	6. Position of Vessel and Condition of Worksite (Cl. 1, 2, 4)
7. Nature of Services (<u>Cl. 1</u> , <u>2</u> , <u>4</u> , <u>10(c)</u>)	8. Place of Delivery and/or Disposal of Vessel (Cl. 2, 9(a), 9(c),12)
(i) Nature of services:	
(ii) Compliance with orders of competent authorities (state party to obtain confirmation):	
9. Extra costs of disposal of Vessel(Cl. 14)	10. Bonus payment/Reduced hire (<u>Cl. 11</u> , <u>12</u>)
(i) state which party is responsible for costs and/or division between the parties:	(i) Amount of Bonus (state either total amount or percentage of the total payable under Agreement)
(ii) handling charge, if applicable (state percentage);	(ii) Full bonus (state applicable date or commencement date/event and subsequent period in days for full bonus)
	(iii) Pro rata bonus/reduced hire (state applicable date or commencement date/event and subsequent period in days for pro rata bonus after which reduced hire to apply)
11. Payment and Rates of Hire (<u>Cl. 7</u> , <u>8(a)</u> , <u>8 (c)</u> , <u>10(a)</u> , <u>12</u>)	
(i) Daily Working Rate for Craft and Equipment (iii) Daily Standa, Rate for Craft and Equipment	(ii) Peily Working Rate for Personnel (iv) Duly Standby Rate for Personnel
(v) Reduced Daily Rates of Hire (Cl. 10(a), 12)	(vi) Payment of the appropriate Working Rate of Hire is to be made in
(a) Daily Working Rate for Craft and Equipment:	advance every (state number of days)
(b) Daily Working Rate for Personnel:	(a) Commencing from:
(c) Daily Standby Rate for Craft and Equipment:	(b) and continuing until:
(d) Daily Standby Rate for Personnel:	(c) with a minimum payment of hire in any event (state number of days hire)

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continued

PARTI

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12. Payment Details (Cl. 10(e))	
(i) Currency	
(ii) Bank	(iii) Address
(iv) Account Number	(v) Account Name
13. Time of Payment and Interest (state period within which sums must be received by the Contractor and rate of interest per month) (Cl. 10)	 14. Extra Costs (state percentage to be applied) (Cl. 13) (i) General handling charge (Cl. 13(a)-13(h)) (ii) Fuels and lubricants handling charge (Cl. 13(i))
15. Dispute Resolution (state Cl. <u>21 (a)</u> , <u>21 (b)</u> or <u>21 (c)</u> of <u>Cl. 21</u> as agreed; if <u>21 (c)</u> agreed, also state place of arbitration) (<u>Cl. 21</u>)	16. Number of Additional Clauses covering special provisions, if agreed

It is agreed that this Agreement shall be performed subject to the Terms and Conditions which consist of PART I, including Additional Clauses, if any agreed, and PART II, as well as Annex I (SCHEDULE OF PERSONNEL, CRAFT AND EQUIPMENT), Annex II (METHOD OF WORK AND ESTIMATED TIME SCHEDULE), and Annex III (CONTRACTOR'S DAILY REPORTS) or any other Annexes attached to this Agreement.

In the event of a conflict of terms and conditions, the provisions of PART I including Additional Clauses, if any agreed, shall prevail over those of PART II to the extent of such conflict but no further.

The undersigned warrant that they have full power and authority to sign this Agreement on behalf of the parties they represent.

Signature (for and on behalf of the Contractor)	Signature (for and on behalf of the Company)

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continued

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PART!

ANNEX I (SCHEDULE OF PERSONNEL, CRAFT AND EQUIPMENT)
INTERNATIONAL WRECK REMOVAL AND MARINE SERVICES AGREEMENT (DAILY HIRE)
CODE NAME: WRECKHIRE 2010

Dated:

Vessel:

Schedule of Personnel, Craft and Equipment (Cl. 2, 4 and 13(g))

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continued

(continued)

PART I

ANNEX II (METHOD OF WORK AND ESTIMATED TIME SCHEDULE)
INTERNATIONAL WRECK REMOVAL AND MARINE SERVICES AGREEMENT (DAILY HIRE)
CODE NAME: WRECKHIRE 2010

Dated:

Vessel:

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Method of Work and Estimated Time Schedule (Cl. 2 and 4)

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(continued) PART I

ANNEX III (CONTRACTOR'S DAILY REPORTS) INTERNATIONAL WRECK REMOVAL AND MARINE SERVICES AGREEMENT (DAILY HIRE) CODE NAME: WRECKHIRE 2010

Date	Report no
Status of wreck:	
/essel	
Cargo	
Bunkers	
Status of wreck site:	
1110	DIZINIO OODIZ
Weather on location:	1200 2400 Follecast next 4 hours
Wind direction & speed (Bft)	200 240 Pl descast lient 4 hours
Swell direction & height (m)	
Maria I I sight O manager (mg	
Nave Height & max wave height (m) ong range forecast (5 days):	
Long range forecast (5 days): Services:	
ong range forecast (5 days):	
Long range forecast (5 days): Services:	
Long range forecast (5 days): Services: Performed in last 24 hours:	
Long range forecast (5 days): Services: Performed in last 24 hours:	
Long range forecast (5 days): Services: Performed in last 24 hours:	
Long range forecast (5 days): Services: Performed in last 24 hours:	

Vame	On hire	Standby rate	Reduced rate	Off hire	Remarks
	OH TIME	Standey rate			
	7				
Demobilised, in	operative or amage	d - insen ut de Rer ari	VIC (20	DV
	7 7 7				
Equipment:	M W				
Equipment: Description	On hire	Standby rate	Reduced rate	Off hire	Remarks
	On hire	Standby rate	Reduced rate	Off hire	Remarks
	On hire	Standby rate	Reduced rate	Off hire	Remarks

Personnel:						
Name	On hire	Standby rate	Reduced rate	Off hire	Remarks	

continued

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					_
Demobilised, inoperative or injured	– insert under "Remarks"	1			
Areas of concern:					
Health & safety					
Environmental					
Other					
Other					_
	PKI	NG	CC)P\	
	RKI	NG	CC)P\	
	RKI	NG	CC	PY	
	RKI	NG	CC)PY	/
	RKI	NG	CC	PY	/
WO	RKI	NG	CC)P\	_
Comments:	RKI	NG	CC)P\	
WO	RKI	NG	CC)P\	
WO	RKI	NG	CC	P	
Comments: Contractor's Representative	RKI	NG	CC)P\	
Comments: Contractor's Representative	RKI	NG	CC)P\	
Comments: Contractor's Representative	RKI	NG	CC)P\	
Comments: Contractor's Representative	RKI	NG	CC	PY	
Comments: Contractor's Representative	RKI	NG	CC)P\	
	RKI	NG	CC	PY	

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Name

continued

Signature

1.	Definitions "Company" means the party stated in Box 3. "Contractor" means the party stated in Box 2. "Services" means the services stated in Box 7. "Vessel" means any vessel, craft, property, or part thereof, of whatsoever nature, including anything contained therein or thereon, such as but not limited to cargo and bunkers, as described in Box 4. "Worksite" means the position of the Vessel stated in Box 6.	1 2 3 4 5 6 7
2.	The Services The Contractor agrees to exercise due care in rendering the Services which shall include, if applicable, the delivery and/or disposal of the Vessel. Insofar as it is not inconsistent with the nature of the Services to be rendered under this Agreement, the Contractor will also exercise due care to prevent and minimise damage to the environment.	8 9 10 11 12
	The Contractor shall provide the Personnel, Craft and Equipment set out in Annex I of this Agreement which the Contractor deems necessary for the Services based upon the Specifications, Condition and Position of the Vessel and Worksite set out in Boxes 4, 5 and 6.	13 14 15
	The Contractor's Method of Work shall be as described in Annex II, utilising the Rersonnel, Craft and Equipment described in Annex I. The Contractor shall consult with the Company if there is any need for substantial change in the Method of Work and/or Personnel, Craft or Equipment. (See Clause 4 hereof).	16 17 18 19
	The Contractor shall provide the Company's representative with daily reports in accordance with Annex III,	20
	The party identified in Box 7(ii) of this Agreement shall be given all reasonable assistance by the other party in connection with obtaining confirmation from the competent authorities that the Company has complied with any orders issued by them.	21 22 23
3.	Company Representative The methods and procedures to be employed in the Services shall at all times be discussed and agreed between the Company and the Contractor.	24 25 26
	The Company's representative will be available during the performance of the Services with the full authority to act on behalf of the Company. The Company Representative shall have full and unfettered access at all times to the site and to the Contractor's craft and equipment, unless such access is reasonably refused by the Contractor.	27 28 29 30
	In addition, the Company will provide at its sole risk and expense sufficient officers or their equivalents, who are fully conversant with the cargo system and/or layout of the Vessel, and who should be in attendance when reasonably required during the performance of the Services in order to provide advice as and when requested by the Contractor.	31 32 33 34
4.	Change of Method of Work and/or Personnel, Craft and Equipment The Rates of Hire stated in <u>Box 11</u> are based upon the Nature of the Services, as set out in <u>Box 7</u> , Method of Work, and Personnel, Craft and Equipment, as set out in Annexes I and II, and the Description, Specifications, Position, Condition of the Vessel and the Worksite, as set out in <u>Boxes 4</u> , <u>5</u> and <u>6</u> .	35 36 37 38
	(a) If before or during the performance of the Services, and without fault on the part of the Contractor, there is a substantial change in the Services, and/or in the Personnel, Craft and Equipment required to undertake the Services due to any misdescription by the Company or error in the specification provided by the Company, upon which the Contractor has relied, or a material change in the position and/or condition of the Vessel or the Worksite:	39 40 41 42 43
	(i) The Contractor shall forthwith give notice in writing thereof to the Company and of the estimated additional costs to effect the Services;	44 45
	(ii) Any and all substantial changes to the nature of such Services which are agreed between the Contractor and the Company shall be drafted into a variation order by the Company, which shall be signed by the parties;	46 47
	(iii) The parties shall, without delay, consult each other to reach agreement on the amount of the additional costs to be added to the Rates of Hire and any agreement shall be incorporated into the variation order.	48 49
	(b) If, as a result of a material change in the position and/or condition of the Vessel or the Worksite, subsequent to entering into this Agreement, the Services become easier to perform in terms of the work and/or personnel, craft and/or equipment requirements, then:	50 51 52
	(i) The Company may, subject to the provisions of <u>Clause 10(d)</u> hereof, seek a reduction in respect of the monies payable pursuant to <u>Clause 10(a)</u> hereof;	53 54

	(ii) All such material changes which are agreed by the Contractor and the Company shall be drafted into a variation order by the Company, which shall be signed by the parties;	55 56
	(iii) The parties shall, without delay, consult each other to reach agreement on the amount of the costs to be deducted from the Rates of Hire and any agreement shall be incorporated into the variation order.	57 58
	(c) Alternatively either party may refer the matter to expert evaluation in accordance with <u>Clause 20</u> (Expert Evaluation) or to arbitration or mediation pursuant to <u>Clause 21</u> (Arbitration and Mediation) for a decision on the reasonableness and quantum of such costs, or the claim by the Company for a reduction in remuneration, which shall be incorporated into the variation order.	59 60 61 62
	In the event the matter is referred either to expert evaluation or arbitration or mediation the Contractor will continue to provide the Services, without prejudice to his claim for additional remuneration.	63 64
5.	Miscellaneous (a) The Company shall arrange and pay for any marking of the Vessel and cautioning required. The Contractor shall arrange and pay for any marking or cautioning required in respect of its own equipment during the Services under this Agreement.	65 66 67 68
	(b) The Contractor may make reasonable use of Vessel's machinery, gear, equipment, anchors, chains, stores and other appurtenances during and for the purposes of these Services free of expense but shall not unnecessarily damage, abandon or sacrifice the same or any property which is the subject of this Agreement.	69 70 71
	(c) Subject to approval of the Company which shall not be unreasonably withheld, and subject to it being permitted by the competent authorities, the Contractor shall be entitled to remove, dispose of or jettison cargo, or parts of the Vessel, or equipment from the Vessel if such action is considered by the Contractor to be reasonably necessary to perform the Services under this Agreement.	72 73 74 75
	(d) The Company will use its best endeavours to provide the Contractor with such plans and drawings of the Vessel, cargo manifests, stowage plans, etc., and such other information as the Contractor may reasonably require for the performance of the Services.	76 77 78
6.	Permits All necessary licences, approvals, authorisations or permits required to undertake and complete the Services without let or hindrance shall be obtained and maintained by the Contractor (see Clause 13(e) (Extra Costs)). The Company shall provide the Contractor with all reasonable assistance in connection with the obtaining of such licences, approvals, authorisations or permits.	79 80 81 82 83
7.	(a) Adverse Weather and Other Delays In the event that the Contractor is prevented from progressing the Services due to adverse weather or sea conditions or any other reason outside the Contractor's control, the Standby Rate (Box 11(iii) and (iv)) shall apply. In such circumstances where there is a partial reduction in Services, there shall be an adjustment to the Daily Working Rate between the Working Rate and the Standby Rate to be agreed between the Contractor and the Company Representative.	84 85 86 87 88 89 90
	(b) Contractor's Equipment and/or Personnel If there is a breakdown of any of the Contractor's equipment or non-availability of personnel, the Company Representative and the Contractor shall consult each other to reach an agreement on the amount of time lost as a result, if any. The Standby Rate shall apply for the agreed period.	91 92 93 94
	(c) Hired-in Equipment and/or Personnel The Contractor shall use its best efforts to ensure that appropriate standby rates of hire are agreed in any sub-contract agreement in the event of breakdown of their equipment or non-availability of their personnel. If there is a breakdown of equipment or non-availability of personnel, the Company Representative and the Contractor shall consult each other to reach an agreement on the amount of time lost as a result, if any. The sub-contract standby rate shall only apply for the agreed period if such standby rates have been agreed with sub-contractors. The Contractor shall pass on to the Company the benefit of any off-hire or reduction in the rate of hire in respect of equipment or personnel hired in by the Contractor.	95 96 97 98 99 100 101
	(d) The Company Representative shall promptly advise the Contractor of all periods when they consider that Standby Rates shall apply and shall at the same time confirm same in writing to the Company and the Contractor.	103 104 105
	(e) <u>Sub-clauses 7(b)</u> and $\underline{7(c)}$ shall not apply for individual delays unless such delays exceed six (6) consecutive hours when the Standby Rate shall apply to the whole agreed delay period.	106 107
	(f) In the event that the parties cannot reach agreement in respect of the applicable reductions in Sub- clauses (a), (b) or (c) above to the Daily Rates of Hire, or the duration of such reduction then the issue may be referred to expert evaluation in accordance with Clause 20 (Expert Evaluation) or to arbitration or mediation	108 109 110

	pursuant to Clause 21 (Arbitration and Mediation).	111
8.	Suspension or Termination (a) The Company has the right to suspend or terminate the Services to be carried out under this Agreement at any time, provided always that notice of such suspension or termination is given to the Contractor in writing. In such event the Contractor is entitled to be paid all sums due at the time of suspension or termination in accordance with the provisions of Box 11 .	112 113 114 115 116
	(b) Such suspension or termination of the Services will be carried out with all reasonable despatch by the Contractor, subject always to the safety of Personnel, Craft and Equipment involved in the Services. Any additional direct expenses arising as a consequence of the instructions to suspend or terminate the Services shall be for the account of the Company.	117 118 119 120
	(c) If permission to suspend or terminate is not given by the competent authorities the Contractor shall be paid by the Company at the appropriate rate set out in <u>Box 11</u> for Personnel, Craft and Equipment during any standby period, and the Company shall be liable for the Contractor's reasonable and necessary costs of continuing with the Services.	121 122 123 124
9.	Delivery and/or disposal (a) If applicable, the Vessel shall be accepted forthwith and taken over by the Company or its duly authorised representative at the place of delivery indicated in <u>Box 8</u> . References to delivery or the place of delivery shall include disposal or the place of disposal, if applicable.	125 126 127 128
	The place of delivery and/or disposal shall always be safe and accessible for the Contractor's own or hired-in craft and the Vessel to enter and operate in and shall be a place where the Contractor is permitted by governmental or other authorities to deliver and/or dispose of the Vessel.	129 130 131
	In the event the Vessel is not accepted forthwith by the Company or delivery is prevented or delayed by action of governmental or other authorities outside the control of the Contractor, all costs necessarily incurred by the Contractor from the moment of the tender for delivery shall be for account of the Company, and the Daily Rate of Hire shall continue to be payable to the Contractor.	132 133 134 135
	(b) If the Company fails, on completion of the Services, to take delivery of the Vessel within five (5) days of the Contractor tendering written notice of delivery, or if in the opinion of the Contractor the Vessel is likely to deteriorate, decay, become worthless or incur charges whether for storage or otherwise in excess of its value, the Contractor may, without prejudice to any other claims the Contractor may have against the Company, without notice and without any responsibility whatsoever attaching to the Contractor, sell or dispose of the Vessel and apply the proceeds of sale in reduction of the sums due to the Contractor from the Company under this Agreement. Any remaining proceeds will be refunded to the Company.	136 137 138 139 140 141 142
	In the event that such sale or other disposal of the Vessel fails to raise sufficient net funds to pay the monies due to the Contractor under the terms of this Agreement, then the Company shall remain liable to the Contractor for any such shortfall.	143 144 145
	(c) Reference to delivery and/or disposal of the Vessel shall include parts of the Vessel and/or cargo and/or any other thing emanating from the Vessel and such delivery may take place at different times and different places (see <u>Box 8</u>).	146 147 148
10	O. Payment (a) The Company shall pay the Contractor the Daily Working and Standby Rates of Hire for Personnel, Craft and Equipment set out in Box 11 and, if applicable, Reduced Daily Rates of Hire in accordance with Box 11(v).	149 150 151
	(b) Such him shall be fully and in evocable, arrived or a daily Lasis and shall be non-returnable. (c) Within 144 ays of ten incuron or completion of the Sen best at at in Box 7 the contractor shall return any overpayments to the Company.	152 153 154
	(d) All monies due and payable to the Contractor under this Agreement shall be paid without any discount, deduction, set-off, lien, claim or counterclaim.	155 156
	(e) All payments to the Contractor shall be made in the currency and to the bank account stipulated in <u>Box 12</u> .	157
	(f) If any amount payable under this Agreement has not been paid within seven (7) days of the due date, or if the security required in accordance with <u>Clause 15</u> is not provided within five (5) banking days following the request by the Contractor, then at any time thereafter the Contractor shall be entitled to terminate this Agreement without prejudice to the sums already due to the Contractor and to any further rights or remedies which the Contractor may have against the Company, provided always that the Contractor shall give the Company at least three (3) working days written notice of its intention to exercise this right.	158 159 160 161 162 163

	(g) The Contractor shall promptly invoice the Company for all sums payable under this Agreement. If any sums which become due and payable are not actually received by the Contractor within the period specified in Box 13, they shall attract interest in accordance with the rate set out in Box 13.	165 166
11	Bonus If the Contractor completes the Services to the satisfaction of the Company: (a) (i) before the date or within the period stated in Box 10(ii), the Company shall pay the Contractor the bonus set out in Box 10(ii); or	167 168 169 170 171
	(ii) on or after the date or outside the period stated in <u>Box 10(ii)</u> , but before the date or within the period stated in <u>Box 10(iii)</u> , the Company will pay the bonus set out in <u>Box 10(i)</u> reduced pro-rata on a daily basis from 100% on the date or period stated in <u>Box 10(ii)</u> down to zero on or after the date or period stated in <u>Box 10(iii)</u> .	172 173 174
	(b) Delays (Clause 7) shall not affect the dates or periods to be applied for the purposes of this Clause 11.	175
12	If the Contractor fails to complete the Services and, if applicable, deliver and/or dispose of the Vessel at the place(s) indicated in Box 8 within the period or on or before the date stated in Box 10(iii), the Daily Rates of Hire shall be reduced in accordance with Box 11. Delays (Clause 7) shall not affect the dates or periods to be applied for the purposes of this Clause 12.	176 177 178 179 180
13	B. Extra Costs The following shall be paid by the Company as and when they fall due:	181 182
	(a) all port expenses, pilotage charges, harbour and canal dues and all other expenses of a similar nature levied upon or payable in respect of the Vessel and the Contractor's own or hired-in craft;	183 184
	(b) the costs of the services of any assisting tugs when reasonably deemed necessary by the Contractor or prescribed by port or other authorities;	185 186
	(c) all costs in connection with clearance, agency fees, visas, guarantees and all other expenses of such kind;	187
	(d) all taxes and social security charges (other than those normally payable by the Contractor in the country where it has its principal place of business), stamp duties, or other levies payable in respect of or in connection with this Agreement, any import - export dues and any customs or excise duties;	188 189 190
	(e) all costs incurred in obtaining and maintaining licences, approvals, authorisations or permits required to undertake and complete the services in accordance with Clause 6 .	191 192
	(f) all costs incurred due to requirements of governmental or other authorities or unions over and above those costs which would otherwise be reasonably incurred by the Contractor in the execution of the Agreement;	193 194
	(g) all reasonable costs of transportation of equipment and the travel and accommodation costs of personnel identified in Annex I, (other than the crews of craft utilised in the Services);	195 196
	(h) all costs incurred by the Contractor in respect of portable salvage equipment, materials, or stores which are lost, damaged or consumed during the Services;	197 198
	(i) all costs in respect of fuels and lubricants consumed during the Services, unless included in the Daily Rates. If any such costs are in fact paid by or on behalf of the Company by the Contractor, the Company shall reimburse the Contractor on the basis of the actual cost to the Contractor plus a handling charge of the percentage amount indicated in Box 14(ii) for Clause 13(a) - (h) costs or Box 14(ii) for Clause 13(i) costs, upon presentation of invoice	199 200 201 202 203
14	All extra Costs of disposal of Vessel All extra costs incurred resulting from the disposal of the Vessel shall be for the account of the party stated in Box 9(i). If the Company is the party stated in Box 9(i) and any such costs are paid by or on behalf of the Company by the Contractor, the Company shall reimburse the Contractor on the basis of the actual cost to the Contractor plus a handling charge of the percentage amount indicated in Box 9(ii) upon presentation of invoice	204 205 206 207 208
1	 Security The Company shall provide on signing of this Agreement an irrevocable and unconditional security in a form and amount as agreed between the parties. 	209 210 211
	If required by the Contractor and also in the event that initially no security is requested, the Company shall provide security or further security in a form and amount as agreed between the parties for all or part of any amount which may be or become due under this Agreement. Such security shall be given on one or more occasions as and when reasonably required by the Contractor.	212 213 214 215
10	6. Liabilities	216

	(a) The Contractor will indemnify and hold the Company harmless in respect of any liability adjudged due or claim reasonably compromised arising out of injury or death occurring during the Services hereunder to any of the following persons:	217 218 219
	(i) any servant, agent or sub-contractor of the Contractor;	220
	(ii) any other person at or near the site of the operations for whatever purpose on behalf or at the request of the Contractor.	221 222
	(b) The Company will indemnify and hold the Contractor harmless in respect of any liability adjudged due or claim reasonably compromised arising from injury or death occurring during the Services hereunder to any of the following persons:	223 224 225
	(i) any servant, agent or sub-contractor of the Company;	226
	(ii) any other person at or near the site of the operations for whatever purpose on behalf or at the request of the Company.	227 228
	(c) Neither the Company nor its servants, agents or sub-contractors shall have any liability to the Contractor for loss or damage of whatsoever nature sustained by the Contractor's owned or hired in craft or equipment (excluding portable salvage equipment, materials or stores which are lost, damaged, or consumed during the Services), whether or not the same is due to breach of contract, negligence or any other fault on the part of the Company, its servants, agents or sub-contractors.	229 230 231 232 233
	(d) Neither the Contractor nor its servants, agents or sub-contractors shall have any liability to the Company for loss or damage of whatsoever nature sustained by the Vessel, whether or not the same is due to breach of contract, negligence or any other fault on the part of the Contractor, its servants, agents or sub-contractors.	234 235 236
	 (e) Neither party shall be liable to the other party for: (i) any loss of profit, loss of use or loss of production whatsoever and whether arising directly or indirectly from the performance or non-performance of this Agreement, and whether or not the same is due to negligence or any other fault on the part of either party, their servants, agents or sub-contractors; or 	237 238 239 240
	(ii) any consequential loss or damage for any reason whatsoever, whether or not the same is due to any breach of contract, negligence or any other fault on the part of either party, their servants, agents or sub-contractors.	241 242
1	7. Himalaya Clause All exceptions, exemptions, defences, immunities, limitations of liability, indemnities, privileges and conditions granted or provided by this Agreement for the benefit of the Contractor or the Company shall also apply to and be for the benefit of their respective sub-contractors, operators, the Vessel's owners (if the Company is the demise/bareboat charterer), masters, officers and crews and to and be for the benefit of all bodies corporate parent of, subsidiary to, affiliated with or under the same management as either of them, as well as all directors, officers, servants and agents of the same and to and be for the benefit of all parties performing Services within the scope of this Agreement for or on behalf of the Contractor or the Company as servants, agents and sub-contractors of such parties. The Contractor or the Company shall be deemed to be acting as agent or trustee of and for the benefit of all such persons, entities and Vessels set forth above but only for the limited purpose of contracting for the extension of such benefits to such persons, bodies and Vessels.	243 244 245 246 247 248 249 250 251 252 253
1	8. Lien Without prejudice to any other rights which the Contractor may have, whether in rem or in personam, the Contractor shall be entitled to exercise a possessory lien upon the Vessel in respect of any amount howsoever or whatsoever due to the Contractor under this Agreement and shall for the purpose of exercising such possessory lien be entitled to take and/or keep possession of the Vessel, provided always that the Company shall pay to the Contractor all reasonable costs and expenses howsoever or whatsoever incurred by or on behalf of the Contractor in exercising or attempting or preparing to exercise such lien.	254 255 256 257 258 259 260
1	9. Time for Suit Any claim which may arise out of or in connection with this Agreement or any of the Services performed hereunder shall be notified to the party against whom such claim is made, within twelve (12) months of completion or termination of the Services hereunder, or within twelve (12) months of any claim by a third party, whichever is later. Any suit shall be brought within twelve (12) months of the notification to the party against whom the claim is made. If either of these conditions is not complied with, the claim and all rights whatsoever and howsoever shall be absolutely barred and extinguished.	261 262 263 264 265 266 267
2	(a) If the parties are unable to agree the alteration to costs or rates under <u>Clause 4(a)</u> or <u>Clause 4(b)</u> or the adjustment to the Daily Working Rate or the time lost under <u>Clauses 7(a)</u> , <u>7(b)</u> or <u>7(c)</u> , then either party may request an expert evaluation in accordance with the following procedure:	268 269 270 271

	(i) The party seeking the evaluation shall propose three (3) experts from the persons currently on the Panel of Special Casualty Representatives maintained by the Salvage Arbitration Branch of the Corporation of Lloyd's to the other party in writing having checked that the proposed experts are available and willing to be appointed. The other party may select one of the proposed experts by responding in writing within twenty-four (24) hours. The party seeking the evaluation will then, as soon as possible (and in any event in less than twelve (12) hours) appoint the expert selected by the other party or, if none has been selected, one of the three (3) experts proposed (hereinafter "the Expert").	272 273 274 275 276 277 278
	(ii) Both parties shall provide short written statements to the Expert setting out their arguments within 48 hours of its acceptance of instructions and shall provide copies of their statement to the other party.	279 280
	(iii) The Expert shall, within seventy-two (72) hours of receipt of written statements, advise the parties in writing of the alteration to costs and/or rates or of the adjustment to the Daily Working Rate or time lost. The Expert may also provide short reasons explaining the evaluation.	281 282 283
	(iv) The Expert's rate of remuneration shall be the applicable rate plus bonus as set from time to time by the SCOPIC Committee for a Salvage Master. The costs of the Expert shall be paid by the party seeking the expert evaluation, but such party shall then be entitled to recover fifty per cent (50%) of the Expert's fees from the other party.	284 285 286 287
	(b) If the Expert's evaluation is not agreed by both parties, the Company shall in any event make payments to the Contractor calculated in accordance with the evaluation. Such payments shall be on a provisional basis and without prejudice to the parties' rights to seek a determination in accordance with <u>Clause 21</u> (Arbitration and Mediation).	288 289 290 291
21	. Arbitration and Mediation This Clause 21 applies to any dispute arising under this Agreement.	292 293
	(a) *This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	294 295 296 297
	The reference shall be to a sole arbitrator ("Arbitrator"), to be selected by the first party claiming arbitration from the persons currently on the panel of Lloyd's Salvage Arbitrators with a right of appeal from an award made by the Arbitrator to either party by notice in writing to the other within twenty-eight (28) days of the date of publication of the original Arbitrator's Award.	298 299 300 301
	The Arbitrator on appeal shall be the person currently acting as Lloyd's Appeal Arbitrator.	302
	No suit shall be brought before another Tribunal, or in another jurisdiction, except that either party shall have the option to bring proceedings to obtain conservative seizure or other similar remedy against any assets owned by the other party in any state or jurisdiction where such assets may be found.	303 304 305
	Both the Arbitrator and Appeal Arbitrator shall have the same powers as an Arbitrator and an Appeal Arbitrator under LOF 2000 or any standard revision thereof, including a power to order a payment on account of any monies due to the Contractor pending final determination of any dispute between the parties hereto.	306 307 308
	In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	309 310 311
	In cases where the claim or any counterclaim exceeds the sum agreed for the LMAA Small Claims Procedure and neither the claim nor any counterclaim exceeds the sum of US\$400,000.00 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure current at the time when the arbitration proceedings are commenced.	312 313 314 315
	(b) *This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	316 317 318 319 320 321
	In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	322 323 324
	(c) *This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to	325 326

	arbitration at a mutually agreed place, subject to the procedures applicable there.	327
	(d) Notwithstanding 21(a), 21(b) or 21(c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Agreement. In the case of a dispute in respect of which arbitration has been commenced under 21(a), 21(b) or 21(c) above, the following shall apply:	328 329 330
	(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.	331 332 333
	(ii) The other party shall thereupon within fourteen (14) calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further fourteen (14) calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitrator or such person as the Arbitrator may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.	334 335 336 337 338 339
	(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers	340 341 342
	necessary to protect its interest.	343
	(v) Either party may advise the Arbitrator that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Arbitrator may take the mediation timetable into account when setting the timetable for steps in the arbitration.	344 345 346
	(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.	347 348
	(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Arbitrator except to the extent that they are disclosable under the law and procedure governing the arbitration.	349 350 351
	(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)	352
	(e) If Box 15 in PART I is not appropriately filled in, Sub-clause 21(a) of this Clause shall apply. Sub-clause 21(d) shall apply in all cases.	353 354 355
	*Sub-clauses 21(a), 21(b) and 21(c) are alternatives; indicate alternative agreed in Box 15.	356
22	2. Notices Clause (a) All notices given by either party or their agents to the other party or their agents in accordance with the provisions of this Agreement shall be in writing and shall, unless specifically provided in this Agreement to the contrary, be sent to the address for that other party as set out in Boxes 2 and 3 or as appropriate or to such other address as the other party may designate in writing.	357 358 359 360 361
	A notice may be sent by registered or recorded mail, facsimile, electronically or delivered by hand in accordance with this <u>Sub-clause 22(a)</u> .	362 363
	(b) Any notice given under this Agreement shall take effect on receipt by the other party and shall be deemed to have been received:	364 365
	(i) if posted, on the seventh (7 th) day after posting;	366
	(ii) if sent by facsimile or electronically, on the day of transmission; or	367
	(iii) if delivered by hand, on the day of delivery.	368
	And in each case proof of posting, handing in or transmission shall be proof that notice has been given, unless proven to the contrary.	369 370
23	B. Insurance (a) The Contractor warrants that throughout the period of this Agreement it will maintain full cover against normal P&I risks including salvors' liabilities as evidenced by a Certificate of Entry issued by a P&I Club or insured acceptable to the Company and shall comply with all the requirements of the policy.	371 372 r 373 374
	(b) The Company warrants that throughout the period of this Agreement it will maintain full cover against normal P&I risks for the Vessel as evidenced by a Certificate of Entry issued by a P&I Club or insurer stated	375 376

	in Box 4(ix) and shall comply with all the requirements of the policy.	377
24	Pollution (a) The Contractor shall exercise due care throughout the performance of the Services to prevent and minimise damage to the environment and shall also put in place, maintain and implement throughout the Services a pollution response plan which meets the requirements of the competent authorities and the Company Representative. The Contractor shall provide the Company with a copy of the pollution response plan on request by the Company.	378 379 380 381 382 383
	(b) The Company shall indemnify and hold the Contractor harmless in respect of any and all consequences of any pollution which results from any discharge or escape of any pollutant from the Vessel except where such pollution arises as a consequence of the negligence of the Contractor, its sub-contractors, its agents and/or servants.	384 385 386 387
	(c) The Contractor shall indemnify and hold the Company harmless in respect of any and all consequences of any pollution which results from any discharge or escape of any pollutant from its own or from hired-in craft.	388 389
25	i. Rotation and Replacement of Craft, Equipment and Personnel The Contractor shall have the right to rotate and replace any craft, equipment and personnel with other suitable replacement craft, equipment and personnel subject to the approval of the Company Representative, which shall not be unreasonably withheld.	390 391 392 393
26	i. General Provisions (a) Severability. If, in any legal proceedings, it is determined that any provision of this Agreement is unenforceable under applicable law, then the unenforceable provision shall automatically be amended to conform to that which is enforceable under the law. In any event, the validity or enforceability of any provision shall not affect any other provision of this Agreement, and this Agreement shall be construed and enforced as if such provision had not been included.	394 395 396 397 398 399 400
	(b) Third Party Beneficiaries. Except as specifically provided for elsewhere in this Agreement, this Agreement shall not be construed to confer any benefit on any third party not a party to this Agreement nor shall this Agreement provide any rights to such third party to enforce any provision of this Agreement.	401 402 403 404
	(c) Waiver. No benefit or right accruing to either party under this Agreement shall be waived unless the waiver is reduced to writing and signed by both the Contractor and Company. The failure of either party to exercise any of its rights under this Agreement, including but not limited to either party's failure to comply with any time limit set out in this Agreement, shall in no way constitute a waiver of those rights, nor shall such failure excuse the other party from any of its obligations under this Agreement.	405 406 407 408 409 410
	(d) Warranty of Authority. The Contractor and the Company each warrant and represent that the person whose signature appears in Part I above is its representative and is duly authorized to execute this Agreement as a binding commitment of such party.	411 412 413 414
	(e) Singular/Plural The singular includes the plural and vice versa as the context admits or requires.	415 416
	(f) Headings The index and headings to the clauses and appendices to this Agreement are for convenience only and shall not affect its construction or interpretation.	417 418 419



ANNEX 3 LLOYD'S STANDARD FORM OF SALVAGE AGREEMENT (LOF) 2011 SCOPIC CLAUSE INCORPORATED

LOF 2011



LLOYD'S STANDARD FORM OF SALVAGE AGREEMENT

(Approved and Published by the Council of Lloyd's)

NO CURE - NO PAY

Name of the salvage Contractors:	2. Property to be salved:
	The vessel:
	her cargo freight bunkers stores and any other property thereon but excluding the personal effects or baggage of passengers master or crew
(referred to in this agreement as "the Contractors")	(referred to in this agreement as "the property")
3. Agreed place of safety:	Agreed currency of any arbitral award and security (if other than United States dollars)
5. Date of this agreement	6. Place of agreement
7. Is the Scopic Clause incorporated into this agreeme	nt? State alternative : Yes/No
8. Person signing for and on behalf of the Contractors	9. Captain
	or other person signing for and on behalf of the property
Signature:	Signature:

- A Contractors' basic obligation: The Contractors identified in Box 1 hereby agree to use their best endeavours to salve the property specified in Box 2 and to take the property to the place stated in Box 3 or to such other place as may hereafter be agreed. If no place is inserted in Box 3 and in the absence of any subsequent agreement as to the place where the property is to be taken the Contractors shall take the property to a place of safety.
- **B** Environmental protection: While performing the salvage services the Contractors shall also use their best endeavours to prevent or minimise damage to the environment.
- C Scopic Clause: Unless the word "No" in Box 7 has been deleted this agreement shall be deemed to have been made on the basis that the Scopic Clause is not incorporated and forms no part of this agreement. If the word "No" is deleted in Box 7 this shall not of itself be construed as a notice invoking the Scopic Clause within the meaning of sub-clause 2 thereof.

- D Effect of other remedies: Subject to the provisions of the International Convention on Salvage 1989 as incorporated into English law ("the Convention") relating to special compensation and to the Scopic Clause if incorporated the Contractors services shall be rendered and accepted as salvage services upon the principle of "no cure no pay" and any salvage remuneration to which the Contractors become entitled shall not be diminished by reason of the exception to the principle of "no cure no pay" in the form of special compensation or remuneration payable to the Contractors under a Scopic Clause.
- **E Prior services:** Any salvage services rendered by the Contractors to the property before and up to the date of this agreement shall be deemed to be covered by this agreement.
- **F Duties of property owners:** Each of the owners of the property shall cooperate fully with the Contractors. In particular:
 - (i) the Contractors may make reasonable use of the vessel's machinery gear and equipment free of expense provided that the Contractors shall not unnecessarily damage abandon or sacrifice any property on board;
 - the Contractors shall be entitled to all such information as they may reasonably require relating to the vessel or the remainder of the property provided such information is relevant to the performance of the services and is capable of being provided without undue difficulty or delay;
 - (iii) the owners of the property shall co-operate fully with the Contractors in obtaining entry to the place of safety stated in Box 3 or agreed or determined in accordance with Clause A.
- **G** Rights of termination: When there is no longer any reasonable prospect of a useful result leading to a salvage reward in accordance with Convention Articles 12 and/or 13 either the owners of the vessel or the Contractors shall be entitled to terminate the services hereunder by giving reasonable prior written notice to the other.
- H Deemed performance: The Contractors' services shall be deemed to have been performed when the property is in a safe condition in the place of safety stated in Box 3 or agreed or determined in accordance with clause A. For the purpose of this provision the property shall be regarded as being in safe condition notwithstanding that the property (or part thereof) is damaged or in need of maintenance if (i) the Contractors are not obliged to remain in attendance to satisfy the requirements of any port or habour authority, governmental agency or similar authority and (ii) the continuation of skilled salvage services from the Contractors or other salvors is no longer necessary to avoid the property becoming lost or significantly further damaged or delayed.
- Arbitration and the LSSA Clauses: The Contractors' remuneration and/or special compensation shall be determined by arbitration in London in the manner prescribed by Lloyd's Standard Salvage and Arbitration Clauses ("the LSSA Clauses") and Lloyd's Procedural Rules in force at the date of this agreement. The provisions of the said LSSA Clauses and Lloyd's Procedural Rules are deemed to be incorporated in this agreement and form an integral part hereof. Any other difference arising out of this agreement or the operations hereunder shall be referred to arbitration in the same way.
- J Governing law: This agreement and any arbitration hereunder shall be governed by English law.
- K Scope of authority: The Master or other person signing this agreement on behalf of the property identified in Box 2 enters into this agreement as agent for the respective owners thereof and binds each (but not the one for the other or himself personally) to the due performance thereof.
- L Inducements prohibited: No person signing this agreement or any party on whose behalf it is signed shall at any time or in any manner whatsoever offer provide make give or promise to provide or demand or take any form of inducement for entering into this agreement.

IMPORTANT NOTICES

- Salvage security. As soon as possible the owners of the vessel should notify the owners of other property on board that this agreement has been made. If the Contractors are successful the owners of such property should note that it will become necessary to provide the Contractors with salvage security promptly in accordance with Clause 4 of the LSSA Clauses referred to in Clause I. The provision of General Average security does not relieve the salved interests of their separate obligation to provide salvage security to the Contractors.
- 2 Incorporated provisions. Copies of the applicable Scopic Clause, the LSSA Clauses and Lloyd's Procedural Rules in force at the date of this agreement may be obtained from (i) the Contractors or (ii) the Salvage Arbitration Branch at Lloyd's, One Lime Street, London EC3M 7HA.
- 3 Awards. The Council of Lloyd's is entitled to make available the Award, Appeal Award and Reasons on www.lloydsagency.com (the website) subject to the conditions set out in Clause 12 of the LSSA Clauses.
- 4 Notification to Lloyd's. The Contractors shall within 14 days of their engagement to render services under this agreement notify the Council of Lloyd's of their engagement and forward the signed agreement or a true copy thereof to the Council as soon as possible. The Council will not charge for such notification.

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SCOPIC 2011

SCOPIC CLAUSE

1.

This SCOPIC clause is supplementary to any Lloyd's Form Salvage Agreement "No Cure - No Pay" ("Main Agreement") which incorporates the provisions of Article 14 of the International Convention on Salvage 1989 ("Article 14"). The definitions in the Main Agreement are incorporated into this SCOPIC clause. If the SCOPIC clause is inconsistent with any provisions of the Main Agreement or inconsistent with the law applicable hereto, the SCOPIC clause, once invoked under sub-clause 2 hereof, shall override such other provisions to the extent necessary to give business efficacy to the agreement. Subject to the provisions of sub-clause 4 hereof, the method of assessing Special Compensation under Convention Article 14(1) to 14(4) inclusive shall be substituted by the method of assessment set out hereinafter. If this SCOPIC clause has been incorporated into the Main Agreement the Contractor may make no claim pursuant to Article 14 except in the circumstances described in sub-clause 4 hereof. For the purposes of liens and time limits the services hereunder will be treated in the same manner as salvage.

Invoking the SCOPIC Clause

The Contractor shall have the option to invoke by written notice to the owners of the vessel the SCOPIC clause set out hereafter at any time of his choosing regardless of the circumstances and, in particular, regardless of whether or not there is a "threat of damage to the environment". The assessment of SCOPIC remuneration shall commence from the time the written notice is given to the owners of the vessel and services rendered before the said written notice shall not be remunerated under this SCOPIC clause at all but in accordance with Convention Article 13 as incorporated into the Main Agreement ("Article 13").

Security for SCOPIC Remuneration

- The owners of the vessel shall provide to the Contractor within 2 working days (excluding Saturdays and Sundays and holidays usually observed at Lloyd's) after receiving written notice from the contractor invoking the SCOPIC clause, a bank (1) guarantee or P&I Club letter (hereinafter called "the Initial Security") in a form reasonably satisfactory to the Contractor providing security for his claim for SCOPIC remuneration in the sum of US\$3 million, inclusive of interest and costs.
- If, at any time after the provision of the Initial Security the owners of the vessel reasonably assess the SCOPIC remuneration plus interest and costs due hereunder to be less than the security in place, the owners of the vessel shall be entitled to require (ii) the Contractor to reduce the security to a reasonable sum and the Contractor shall be obliged to do so once a reasonable sum
- If at any time after the provision of the Initial Security the Contractor reasonably assesses the SCOPIC remuneration plus interest and costs due hereunder to be greater than the security in place, the Contractor shall be entitled to require the owners (iii) of the vessel to increase the security to a reasonable sum and the owners of the vessel shall be obliged to do so once a reasonable sum has been agreed.
- In the absence of agreement, any dispute concerning the proposed Guarantor, the form of the security or the amount of any (iv) reduction or increase in the security in place shall be resolved by the Arbitrator.

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If the owners of the vessel do not provide the Initial Security within the said 2 working days, the Contractor, at his option, and on giving notice to the owners of the vessel, shall be entitled to withdraw from all the provisions of the SCOPIC clause and revert to his rights under the Main Agreement including Article 14 which shall apply as if the SCOPIC clause had not existed. PROVIDED THAT this right of withdrawal may only be exercised if, at the time of giving the said notice of withdrawal the owners of the vessel have still not provided the Initial Security or any alternative security which the owners of the vessel and the Contractor may agree will be sufficient.

Tariff Rates 5.

- SCOPIC remuneration shall mean the total of the tariff rates of personnel; tugs and other craft; portable salvage equipment; (i) out of pocket expenses; and bonus due,
- SCOPIC remuneration in respect of all personnel; tugs and other craft; and portable salvage equipment shall be assessed on a time and materials basis in accordance with the Tariff set out in Appendix "A". This tariff will apply until reviewed and amended by the SCOPIC Committee in accordance with Appendix B(1)(b). The tariff rates which will be used to calculate SCOPIC remuneration are those in force at the time the salvage services take place.
- "Out of pocket" expenses shall mean all those monies reasonably paid by or for and on behalf of the Contractor to any third party and in particular includes the hire of men, tugs, other craft and equipment used and other expenses reasonably necessary for the operation. They will be agreed at cost, PROVIDED THAT: (iii)
 - If the expenses relate to the hire of men, tugs, other craft and equipment from another ISU member or their affiliate(s), the amount due will be calculated on the tariff rates set out in Appendix "A" regardless of the actual cost. (a)
 - If men, tugs, other craft and equipment are hired from any party who is not an ISU member and the hire rate is greater (b) than the tariff rates referred to in Appendix "A" the actual cost will be allowed in full, subject to the Special Casualty Representative ("SCR") being satisfied that in the particular circumstances of the case, it was reasonable for the Contractor to hire such items at that cost. If an SCR is not appointed or if there is a dispute, then the Arbitrator shall decide whether the expense was reasonable in all in the circumstances.
 - Any out of pocket expense incurred during the course of the service in a currency other than US dollars shall for the (c) purpose of the SCOPIC clause be converted to US dollars at the rate prevailing at the termination of the services
- In addition to the rates set out above and any out of pocket expenses, the Contractor shall be entitled to a standard bonus of (iv) 25% of those rates except that if the out of pocket expenses described in sub-paragraph 5(iii)(b) exceed the applicable tariff rates in Appendix "A" the Contractor shall be entitled to a bonus such that he shall receive in total
 - The actual cost of such men, tugs, other craft and equipment plus 10% of the cost, or
 - The tariff rate for such men, tugs, other craft and equipment plus 25% of the tariff rate whichever is the greater. (b)

Article 13 Award 6.

1 9 2000 1 1 2005 1 7 2007

1 1 2011

- The salvage services under the Main Agreement shall continue to be assessed in accordance with Article 13, even if the Contractor has invoked the SCOPIC clause. SCOPIC remuneration as assessed under sub-clause 5 above will be payable only by the owners of the vessel and only to the extent that it exceeds the total Article 13 Award (or, if none, any potential Article 13 Award) payable by all salved interests (including cargo, bunkers, lubricating oil and stores) before currency adjustment and before interest and costs even if the Article 13 Award or any part of it is not recovered.
- In the event of the Article 13 Award or settlement being in a currency other than United States dollars it shall, for the purposes (ii) of the SCOPIC clause, be exchanged at the rate of exchange prevailing at the termination of the services under the Main Agreement.

The salvage Award under Article 13 shall not be diminished by reason of the exception to the principle of "No Cure - No Pay" (iii) in the form of SCOPIC remuneration.

7. Discount

If the SCOPIC clause is invoked under sub-clause 2 hereof and the Article 13 Award or settlement (before currency adjustment and before interest and costs) under the Main Agreement is greater than the assessed SCOPIC remuneration then, notwithstanding the actual date on which the SCOPIC remuneration provisions were invoked, the said Article 13 Award or settlement shall be discounted by 25% of the difference between the said Article 13 Award or settlement and the amount of SCOPIC remuneration that would have been assessed had the SCOPIC remuneration provisions been invoked on the first day of the services.

8. Payment of SCOPIC Remuneration

- The date for payment of any SCOPIC remuneration which may be due hereunder will vary according to the circumstances.
 - If there is no potential salvage award within the meaning of Article 13 as incorporated into the Main Agreement then, subject to Appendix B(5)(c)(iv), the undisputed amount of SCOPIC remuneration due hereunder will be paid by the owners of the vessel within 1 month of the presentation of the claim. Interest on sums due will accrue from the date of termination of the services until the date of payment at the US prime rate plus 1%.
 - If there is a claim for an Article 13 salvage award as well as a claim for SCOPIC remuneration, subject to Appendix (b) B(5)(c)(iv), 75% of the amount by which the assessed SCOPIC remuneration exceeds the total Article 13 security demanded from ship and cargo will be paid by the owners of the vessel within 1 month and any undisputed balance paid when the Article 13 salvage award has been assessed and falls due. Interest will accrue from the date of termination of the services until the date of payment at the US prime rate plus 1%.
- The Contractor hereby agrees to give an indemnity in a form acceptable to the owners of the vessel in respect of any (ii) overpayment in the event that the SCOPIC remuneration due ultimately proves to be less than the sum paid on account.

9.

- The Contractor shall be entitled to terminate the services under the SCOPIC clause and the Main Agreement by written notice to owners of the vessel with a copy to the SCR (if any) and any Special Representative appointed if the total cost of his services to date and the services that will be needed to fulfil his obligations hereunder to the property (calculated by means of the tariff rate but before the bonus conferred by sub-clause 5(iii) hereof) will exceed the sum of:
 - The value of the property capable of being salved; and
 - All sums to which he will be entitled as SCOPIC remuneration
- The owners of the vessel may at any time terminate the obligation to pay SCOPIC remuneration after the SCOPIC clause has (ii) been invoked under sub-clause 2 hereof provided that the Contractor shall be entitled to at least 5 clear days' notice of such termination. In the event of such termination the assessment of SCOPIC remuneration shall take into account all monies due under the tariff rates set out in Appendix A hereof including time for demobilisation to the extent that such time did reasonably exceed the 5 days' notice of termination.
- The termination provisions contained in sub-clause 9(i) and 9(ii) above shall only apply if the Contractor is not restrained from (iii) demobilising his equipment by Government, Local or PortAuthorities or any other officially recognised body having jurisdiction over the area where the services are being rendered.

Duties of Contractor 10.

The duties and liabilities of the Contractor shall remain the same as under the Main Agreement, namely to use his best endeavours to salve the vessel and property thereon and in so doing to prevent or minimise damage to the environment.

Article 18 - 1989 Salvage Convention 11.

The Contractor may be deprived of the whole or part of the payment due under the SCOPIC clause to the extent that the salvage operations thereunder have become necessary or more difficult or more prolonged or the salved fund has been reduced or extinguished because of fault or neglect on its part or if the Contractor has been guilty of fraud or other dishonest conduct.

Special Casualty Representative ("SCR") 12.

Once this SCOPIC clause has been invoked in accordance with sub-clause 2 hereof the owners of the vessel may at their sole option appoint an SCR to attend the salvage operation in accordance with the terms and conditions set out in Appendix B. Any SCR so appointed shall not be called upon by any of the parties hereto to give evidence relating to non-salvage issues

Special Representatives 13.

At any time after the SCOPIC clause has been invoked the Hull and Machinery underwriter (or, if more than one, the lead underwriter) and one owner or underwriter of all or part of any cargo on board the vessel may each appoint one special representative (hereinafter called respectively the "Special Hull Representative" and the "Special Cargo Representative" and collectively called the "Special Representatives") at the sole expense of the appointor to attend the casualty to observe and report upon the salvage operation on the terms and conditions set out in Appendix C hereof. Such Special Representatives shall be technical men and not practising lawyers.

Pollution Prevention 14.

The assessment of SCOPIC remuneration shall include the prevention of pollution as well as the removal of pollution in the immediate vicinity of the vessel insofar as this is necessary for the proper execution of the salvage but not otherwise.

15. **General Average**

SCOPIC remuneration shall not be a General Average expense to the extent that it exceeds the Article 13 Award; any liability to pay such SCOPIC remuneration shall be that of the Shipowner alone and no claim whether direct, indirect, by way of indemnity or recourse or otherwise relating to SCOPIC remuneration in excess of the Article 13 Award shall be made in General Average or under the vessel's Hull and Machinery Policy by the owners of the vessel.

Any dispute arising out of this SCOPIC clause or the operations thereunder shall be referred to Arbitration as provided for under the 16. Main Agreement.

SCOPIC 2011

APPENDIX A (SCOPIC)

1. PERSONNEL

(a) The daily tariff rate, or pro rata for part thereof, for personnel reasonably engaged on the contract, including any necessary time in proceeding to and returning from the casualty, shall be as follows:

Office administration, including communications	US\$1,275
Salvage Master	US\$1,900
Naval Architect or Salvage Officer/Engineer	US\$1,585
Assistant Salvage Officer/Engineer	US\$1,270
Diving Supervisor	US\$1,270
HSE qualified diver or his equivalent but excluding saturation or mixed gas drivers	US\$1,140
(whose rate should be agreed with the SCR or determined by the Arbitrator)	
Salvage Foreman	US\$ 950
Riggers, Fitters, Equipment Operators	US\$ 760
Specialist Advisors – Fire Fighters, Chemicals, Pollution Control	US\$1,275
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- (b) The crews of tugs, and other craft, normally aboard that tug or craft for the purpose of its customary work are included in the tariff rate for that tug or craft but when because of the nature and/or location of the services to be rendered, it is a legal requirement for an additional crew member or members to be aboard the tug or craft, the cost of such additional crew will be paid.
- (c) The rates for any personnel not set out above shall be agreed with the SCR or, failing agreement, be determined by the Arbitrator
- (d) For the avoidance of doubt, personnel are "reasonably engaged on the contract" within the meaning of Appendix A sub-clause 1(a) hereof if, in addition to working, they are eating, sleeping or otherwise resting on site or travelling to or from the site; personnel who fall ill or are injured while reasonably engaged on the contract shall be charged for at the appropriate daily tariff rate until they are demobilised but only if it was reasonable to mobilise them in the first place.
- (e) SCOPIC remuneration shall cease to accrue in respect of personnel who die on site from the date of death.

2. TUGS AND OTHER CRAFT

(a) (i) Tugs, which shall include salvage tugs, harbour tugs, anchor handling tugs, coastal/ocean towing tugs, off-shore support craft, and any other work boat in excess of 500 b.h.p., shall be charged at the following rates, exclusive of fuel or lubricating oil, for each day, or pro rata for part thereof, that they are reasonably engaged in the services, including proceeding towards the casualty from the tugs location when SCOPIC is invoked or when the tugs are mobilised (whichever is the later) and from the tugs position when their involvement in the services terminates to a reasonable location having due regard to their employment immediately prior to their involvement in the services and standing by on the basis of their certificated b.h.p.:

For each b.h.p up	p to 5,000 b h.p. etween 5,001 & 12,000 b h.p	US\$2.80 US\$2.00
For each b.h.p be	etween 12,001 & 20,000 b.h.p.	US\$1.40
For each b.h.p. ov	ver 20,000 b.h.p.	US\$0.70

(ii) Any tug which has aboard certified fire fighting equipment shall, in addition to the above rates, be paid:

US\$690 per day, or pro rata for part thereof, if equipped with Fi Fi 0 5 US\$1,375 per day, or pro rata for part thereof, if equipped with Fi Fi 1.0

for that period in which the tug is engaged in fire fighting necessitating the use of the certified fire fighting equipment.

- (iii) Any tug which is certified as "Ice Class" shall, in addition to the above, be paid US\$1,375 per day, or pro rata for part thereof, when forcing or breaking ice during the course of services including proceeding to and returning from the casualty.
- (iv) For the purposes of paragraph 2(a)(i) hereof tugs shall be remunerated for any reasonable delay or deviation for the purposes of taking on board essential salvage equipment, provisions or personnel which the Contractor reasonably anticipates he shall require in rendering the services which would not normally be found on vessels of the tugs size and type
- (b) Any launch or work boat of less than 500 b.h.p. shall, exclusive of fuel and lubricating oil, be charged at a rate of US\$4.15 for each b h o
- (c) Any other craft, not falling within the above definitions, shall be charged out at a market rate for that craft, exclusive of fuel and lubricating oil, such rate to be agreed with the SCR or, failing agreement, determined by the Arbitrator
- (d) All fuel and lubricating oil consumed during the services shall be paid at cost of replacement and shall be treated as an out of
- (e) For the avoidance of doubt, the above rates shall not include any portable salvage equipment normally aboard the tug or craft and such equipment shall be treated in the same manner as portable salvage equipment and the Contractors shall be reimbursed in respect thereof in accordance with Appendix A paragraphs 3 and 4(i) and (ii) hereof.
- (f) SCOPIC remuneration shall cease to accrue in respect of tugs and other craft which become a commercial total loss from the date they stop being engaged in the services plus a reasonable period for demobilisation (if appropriate) PROVIDED that such SCOPIC remuneration in respect of demobilisation shall only be payable if the commercial total loss arises whilst engaged in the services and through no fault of the Contractors, their servants, agents or sub-contractors.

1 1 2011

PORTABLE SALVAGE EQUIPMENT 3.

The daily tariff, or pro rata for part thereof, for all portable salvage equipment reasonably engaged during the services, including

any time necessary for mobilisation and demobilisation, shall be as follows: Rate - US\$ Rate - US\$ Equipment Protective Clothing/Safety Equipment **Generators** 64 75 Breathing Gear Up to 50 kW 126 Hazardous Environment Suit 51 to 120 kW 158 Cooler; Evaporative; 36", 9800 Cfm, 110v 100 121 to 300 kW 253 Heater 55,000/110,000 Btu 250 Over 301 kW 443 Gas Monitor; Four Gas Types Nitrogen Generator – 1500 SCFH @ 96%, 220v PPE; Ascending/Descending package: 4 Man 175 2,450 Compressors 350 185 Cfm 190 PPE; Bunker Gear Pkg: 1 Man 125 PPE; Chemical Suit Pkg: Class A: 1 Man PPE; Chemical Suit Pkg: Class B: 1 Man PPE; Cold Weather 1st Response Kit 317 145 600 Cfm 25 1200 Cfm 506 13 Air Manifold 1,076 PPE; Confined Space Entry 2 Man package, with 525 Blower; 1,500m3/min. Communications 10 PPF: Survival Suit, Immersion **Distribution Boards** Ventilation Pkg: Vane Axial: 1,500 Cfm 100 75 Ventilation Pkg: Venturi Type: 4,000 Cfm 115 Up to 50 kW 158 51 to 120 kW **Pollution Control Equipment** 121 to 300 kW 253 Over 301 kW 443 Hot Tap Machine, including support equipment 1,265 Oil Boom, 24", per 10 metres
Oil Boom, 36", per 10 metres
Oil Boom, 48", per 10 metres
Ballast/Fuel storage Bins upto 10,000 litres 39 Hoses: Per 6 Metres or 20 Feet 126 Air Hose
3/4"
2" 246 75 Ballast/Fuel storage Bins 10,000 to 25,000 litres Ballast/Fuel storage Bins 25,000 to 50,000 litres 10 100 126 Layflat 2" 14 4" Pumping Equipment 19 25 Rigid 65 19 2" 3" 1" 2" 95 22 25 3" 110 6" 32 Diesel 38 64 8' 114 152 Miscellaneous Equipment Electrical Submersible 64 Air Bags, less than 5 tons lift 50 Air Bags 5 to 15 tons lift Air Lift 4" 190 253 126 759 Air Lift 6" 253 **Hydraulic** 500 379 Air Lift 8" Air Tugger, up to 3 tons 6" 759 Chain Saw 25 8" 1.265 Container handling package 200 Communications package
Damage Stability Computer and Software 200 **Lighting Systems** 100 Echo Sounder, portable 32 Halogen system Extension Ladder Hydraulic Jack, up to 50 tons Hydraulic Jack, up to 120 tons Lighting String, per 50 feet 32 25 50 64 Light Tower Underwater Lighting System, 1,000 watts 95 Hydraulic Powerpack up to 40kW 60 Hydraulic Powerpack 75kW 95 **Winches** Pressure washer, water Pressure washer, steam 316 Up to 5 tons, including 50 metres of wire 150 Up to 10 tons, including 50 metres of wire Up to 20 tons, including 50 metres of wire 506 253 Rigging Package, heavy 175 Rigging Package, light Steel band Saw Tirfors, up to 5 tonnes 25 14 **Fenders** Thermal Imaging Camera 316 Tool Package, per set Ventilation Package Yokohama 1.00m. x 2.00m. 220 25 95 14 2.50m. x 5,50m. 190 317 Z Boat, including outboard up to 14 feet 253 3.50m, x 6.50m. Low Pressure Inflatable
3 metres 443 Z Boat, including outboard over 14 feet 89 6 metres 89 **Diving Equipment** 9 metres 190 316 High Pressure Compressor 3500 psi/17 Cfm High Pressure Compressor 5500 psi/5 Cfm 200

12 metres

16 metres

Shackles

Up to 50 tonnes

51 to 120 tonnes

Over 200 tonnes

121 to 200 tonnes

115

325

632

885

316

25

25

285

Decompression Chamber with Medical Lock

Hot Water Diving Assembly

Shallow Water Dive Spread

Underwater Magnets

Underwater Drill

Decompression Chamber: Two Man, including compressor

Decompression Chamber: Four Man, including compressor

316

13

25

39

Equipment	Rate - US\$	<u>Equipment</u>	Rate - US\$
Welding & Cutting Equipment		Storage Equipment	
Bolt Gun Oxy-acetylene Surface Cutting Gear Underwater Cutting Gear Underwater Welding Kit 250 Amp Welder 400 Amp Welder	380 32 64 64 190 253	12' Container 20' Container	32 50

- Any portable salvage equipment engaged but not set out above shall be charged at a rate to be agreed with the SCR or, failing agreement, determined by the Arbitrator. (b)
- The total charge (before bonus) for each item of portable salvage equipment, owned by the contractor, shall not exceed the manufacturer's recommended retail price on the last day of the services multiplied by 2.0. (c)
- Compensation for any portable salvage equipment lost or destroyed during the services shall be paid at the replacement cost. (d) (Provided that the total of such compensation and the daily tariff rate (before bonus) in respect of that item does not exceed the actual cost of replacing the item at the Contractor's base with the most similar equivalent new item multiplied by 2,5.)
- All consumables such as welding rods, boiler suits, small ropes etc. shall be charged at cost and shall be treated as an out of (e)
- The Contractor shall be entitled to remuneration at a stand-by rate of 50% of the full tariff rate plus bonus for any portable (f) salvage equipment reasonably mobilised but not used during the salvage operation provided
 - It has been mobilised with the prior agreement of the owner of the vessel or its mobilisation was reasonable in the circumstances of the casualty, or
 - It comprises portable salvage equipment normally aboard the tug or craft that would have been reasonably (ii) mobilised had it not already been aboard the tug or craft.
- SCOPIC remuneration shall cease to accrue in respect of portable salvage equipment which becomes a commercial total loss from the date it ceases to be useable plus a reasonable period for demobilisation (if appropriate) PROVIDED that such (q) SCOPIC remuneration in respect of demobilisation shall only be payable if the commercial total loss arises while it is engaged in the services and through no fault of the Contractors, their servants, agents or sub-contractors.

4. DOWNTIME

If a tug or piece of portable salvage equipment breaks down or is damaged without fault on the part of the Contractor, his servants, agents or sub-contractors and as a direct result of performing the services it should be paid for during the repair while on site at the stand-by rate of 50% of the tariff rate plus uplift pursuant to sub-clause 5(iv) of the SCOPIC clause.

If a tug or piece of portable salvage equipment breaks down or otherwise becomes inoperable without fault on the part of the Contractor,

his servants, agents or sub-contractors and as a direct result of performing the services and cannot be repaired on site then:

- If it is not used thereafter but remains on site then no SCOPIC remuneration is payable in respect of that tug or piece of portable salvage equipment from the time of the breakdown.
- If it is removed from site, repaired and reasonably returned to the site for use SCOPIC remuneration at the standby rate of (ii) 50% of the tariff rate plus bonus pursuant to sub-clause 5(iv) of the SCOPIC clause shall be payable from the breakdown to the date it is returned to the site.
- If it is removed from the site and not returned SCOPIC remuneration ceases from the breakdown but is, in addition, payable for (iii) the period that it takes to return it directly to base at the stand-by rate of 50% of the tariff rate plus bonus pursuant to subclause 5(iv) of the SCOPIC clause.

SCOPIC 2011

APPENDIX B (SCOPIC)

- 1. (a) The SCR shall be selected from a panel (the "SCR Panel") appointed by a Committee (the "SCOPIC Committee") comprising of representatives appointed by the following:
 - 3 representatives from the International Group of P and I Clubs
 - 3 representatives from the ISU
 - 3 representatives from the IUMI
 - 3 representatives from the International Chamber of Shipping
 - (b) The SCOPIC Committee shall be responsible for a triennial review of the tariff rates as set out in Appendix A.
 - (c) The SCOPIC Committee shall meet once a year in London to review, confirm, reconfirm or remove SCR Panel members.
 - (d) Any individual may be proposed for membership of the SCR Panel by any member of the SCOPIC Committee and shall be accepted for inclusion on the SCR Panel unless at least four votes are cast against his inclusion.
 - (e) The SCOPIC Committee may also set and approve the rates of remuneration for the SCRs.
 - (f) Members of the SCOPIC Committee shall serve without compensation.
 - (g) The SCOPIC Committee's meetings and business shall be organised and administered by the Salvage Arbitration Branch of the Corporation of Lloyd's (hereinafter called "Lloyds") who will keep the current list of SCR Panel members and make it available to any person with a bona fide interest.
 - (h) The SCOPIC Committee shall be entitled to decide its own administrative rules as to procedural matters (such as quorums, the identity and power of the Chairman etc.).
- The primary duty of the SCR shall be the same as the Contractor, namely to use his best endeavours to assist in the salvage of the vessel and the property thereon and in so doing to prevent and minimise damage to the environment.
- The Salvage Master shall at all times remain in overall charge of the operation, make all final decisions as to what he
 thinks is best and remain responsible for the operation.
- The SCR shall be entitled to be kept informed by or on behalf of the Salvage Master or (if none) the principal contractors' representative on site (hereinafter called "the Salvage Master"). The Salvage Master shall consult with the SCR during the operation if circumstances allow and the SCR, once on site, shall be entitled to offer the Salvage Master advice.
- 5. (a) Once the SCOPIC clause is invoked the Salvage Master shall send daily reports (hereinafter called the "Daily Salvage Reports") setting out:-
 - the salvage plan (followed by any changes thereto as they arise)
 - the condition of the casualty and the surrounding area (followed by any changes thereto as they arise)
 - the progress of the operation
 - the personnel, equipment, tugs and other craft used in the operation that day.
 - (b) Pending the arrival of the SCR on site the Daily Salvage Reports shall be sent to Lloyd's and the owners of the vessel. Once the SCR has been appointed and is on site the Daily Salvage Reports shall be delivered to
 - (c) The SCR shall upon receipt of each Daily Salvage Report:-
 - (i) Transmit a copy of the Daily Salvage Report by the quickest method reasonably available to Lloyd's, the owners of the vessel, their liability insurers and (if any) to the Special Hull Representative and Special Cargo Representative (appointed under clause 12 of the SCOPIC clause and Appendix C) if they are on site; and if a Special Hull Representative is not on site the SCR shall likewise send copies of the Daily Salvage Reports direct to the leading Hull Underwriter or his agent (if known to the SCR) and if a Special Cargo Representative is not on site the SCR shall likewise send copies of the Daily Salvage Reports to such cargo underwriters or their agent or agents as are known to the SCR (hereinafter in this Appendix B such Hull and Cargo property underwriters shall be called "Known Property Underwriters").
 - (ii) If circumstances reasonably permit consult with the Salvage Master and endorse his Daily Salvage Report stating whether or not he is satisfied and

- (iii) If not satisfied with the Daily Salvage Report, prepare a dissenting report setting out any objection or contrary view and deliver it to the Salvage Master and transmit it to Lloyd's, the owners of the vessel, their liability insurers and to any Special Representatives (appointed under clause 12 of the SCOPIC clause and Appendix C) or, if one or both Special Representatives has not been appointed, to the appropriate Known Property Underwriter.
- (iv) If the SCR gives a dissenting report to the Salvage Master in accordance with Appendix B(5)(c)(iii) to the SCOPIC clause, any initial payment due for SCOPIC remuneration shall be at the tariff rate applicable to what is in the SCR's view the appropriate equipment or procedure until any dispute is resolved by agreement or arbitration.
- (d) Upon receipt of the Daily Salvage Reports and any dissenting reports of the SCR, Lloyd's shall distribute upon request the said reports to any parties to this contract and any of their property insurers of whom they are notified (hereinafter called "the Interested Persons") and to the vessel's liability insurers.
- (e) As soon as reasonably possible after the Salvage services terminate the SCR shall issue a report (hereinafter call the "SCR's Final Salvage Report") setting out:
 - the facts and circumstances of the casualty and the salvage operation insofar as they are known to
 - the tugs, personnel and equipment employed by the Contractor in performing the operation.
 - A calculation of the SCOPIC remuneration to which the contractor may be entitled by virtue of this SCOPIC clause.

The SCR's Final Salvage Report shall be sent to the owners of the vessel and their liability insurers and to Lloyd's who shall forthwith distribute it to the Interested Persons.

- 6. (a) The SCR may be replaced by the owner of the vessel if either:
 - the SCR makes a written request for a replacement to the owner of the vessel (however the SCR should expect to remain on site throughout the services and should only expect to be substituted in exceptional circumstances); or
 - (ii) the SCR is physically or mentally unable or unfit to perform his duties; or
 - (iii) all salved interests or their representatives agree to the SCR being replaced.
 - (b) Any person who is appointed to replace the SCR may only be chosen from the SCR Panel.
 - (c) The SCR shall remain on site throughout the services while he remains in that appointment and until the arrival of any substitute so far as practicable and shall hand over his file and all other correspondence, computer data and papers concerning the salvage services to any substitute SCR and fully brief him before leaving the site.
 - (d) The SCR acting in that role when the services terminate shall be responsible for preparing the Final Salvage Report and shall be entitled to full co-operation from any previous SCR's or substitute SCR's in performing his functions hereunder.
- 7. The owners of the vessel shall be primarily responsible for paying the fees and expenses of the SCR. The Arbitrator shall have jurisdiction to apportion the fees and expenses of the SCR and include them in his award under the Main Agreement and, in doing so, shall have regard to the principles set out in any market agreement in force from time to time.
- 8. Any SCR appointed pursuant to this Agreement shall not be called by any of the parties hereto to give evidence relating to non-salvage issues.

SCOPIC 2007

APPENDIX C (SCOPIC)

The Special Representatives

- 1. The Salvage Master, the owners of the vessel and the SCR shall co-operate with the Special Representatives and shall permit them to have full access to the vessel to observe the salvage operation and to inspect such of the ship's documents as are relevant to the salvage operation.
- 2. The Special Representative shall have the right to be informed of all material facts concerning the salvage operation as the circumstances reasonably allow.
- If an SCR has been appointed the SCR shall keep the Special Representatives (if any and if circumstances permit) fully informed and shall consult with the said Special Representatives. The Special Representatives shall also be entitled to receive a copy of the Daily Salvage Reports direct from the Salvage Master or, if appointed, from the SCR.
- 4. The appointment of any Special Representatives shall not affect any right that the respondent ship and cargo interests may have (whether or not they have appointed a Special Representative) to send other experts or surveyors to the vessel to survey ship or cargo and inspect the ship's documentation or for any other lawful purpose.
- 5. If an SCR or Special Representative is appointed the Contractor shall be entitled to limit access to any surveyor or representative (other than the said SCR and Special Representative or Representatives) if he reasonably feels their presence will substantially impede or endanger the salvage operation.



ANNEX 4 CERTIFICATION OF CAPABILITY

DONJON-SMIT is a joint venture between SMIT Salvage Americas, Inc and Donjon Marine Co, Inc. Both companies are qualified salvage and marine firefighting organizations as defined in 33 CFR 155.4050. Specifically, DONJON-SMIT's two partners, with over 230 years of combined corporate history, certify that each:

- Is currently working in the response services needed;
- 2. Has a documented history of participation in successful salvage and marine firefighting operations; including equipment deployments:
- 3. Through DONJON-SMIT, has contracts for equipment needed to perform response services;
- 4. Has personnel with documented training certification and degree experience;
- 5. Maintains a 24-hour availability of personnel and equipment, with a history of response times compatible with the time requirements in the regulation;
- 6. Maintains an ongoing continuous training program, including marine firefighting, in the fields in which they operate; they, and/or DONJON-SMIT's firefighting subcontractor, meet the training guidelines in NFPA 1001, 1005, 1021, 1405, and 1561.
- 7. Through DONJON-SMIT, maintains a successful record of participation in drills and exercises;
- 8. Has marine firefighting and salvage plans actually used and approved during real incidents;
- 9. Maintains membership in the American Salvage Association and the International Salvage Union;
- 10. Maintains insurance that covers for the salvage and marine firefighting services contracted herein to provide;
- 11. Maintains access to sufficient upfront capital to support an operation;
- 12. Maintains equipment and has experience to work in the specific regional geographical environment(s) that the vessels listed in Schedule A operate in,
- 13. Maintains the logistical and transportation support capability required to sustain operations for extended periods of time in arduous sea states and conditions;
- 14. Maintains the capability to implement the necessary engineering, administrative, and personal protective equipment controls to safeguard the health and safety of their workers when providing salvage and marine firefighting services; and
- 15. Through DONJON-SMIT, maintains a familiarity with the salvage and marine firefighting protocols contained in the local ACPs for each COTP zone listed in Schedule B.

Donjon-Smit (Tanker and Non-Tank) Version A October 4, 2013





ANNEX 5 – RATESHEET

PERSONNEL I.

The daily tariff rate for personnel reasonably engaged on the contract, including any necessary time in proceeding to and returning from the casualty, shall be as follows:

	Rate US
Office Administration, including communications	\$1,275
Salvage Master	\$1,900
Naval Architect or Salvage Officer/Engineer	\$1,585
Assistant Salvage Officer/Engineer	\$1,270
Diving Supervisor	\$1,270
HSE qualified diver or his equivalent but excluding saturation or	\$1,140
Mixed gas divers (whose rate should be agreed with the client	
Representative or determined by the Arbitrator)	
Salvage Forman	\$950
Riggers, Fitters, Equipment Operators	\$760
Specialist Advisors – Fire Fighters, Chemicals, Pollution Control	\$1,275

II. **TUGS AND OTHER CRAFT**

(a) Tugs which shall include salvage tugs, harbor tugs, anchor handling tugs, coastal/ocean towing tugs, off-shore support craft, and any other work boat in excess of 500 BHP shall be charged for at the following rates, exclusive of fuel or lubricating oil, for each day, or pro rata for part thereof, that they are reasonably engaged in the services, including proceeding towards the casualty from the tugs location when the contract response is invoked or when the tugs are mobilized (whichever is the later) and from the tugs position when their involvement in the services Terminates to a reasonable location having due regard to their employment immediately prior to their involvement in the services and standing by on the basis of their certificated brake horsepower (BHP)

	Rate US\$
For each BHP up to 5,000 BHP	\$2.80
For each BHP between 5,001 to 12,000 BHP	\$2.00
For each BHP between 12,001 to 20,000 BHP	\$1.40
For each BHP over 20,000 BHP	\$0.70

(b) Any tug that has aboard certified firefighting (FIFI) equipment shall be charged for, in addition to the above rates, as follows:

	Rate US\$
Price per day if equipped with FIFI 0.0	\$690
Price per day if equipped with FIFI 1.0	\$1,375
For that period in which the tug is engaged in firefighting necessitating the use of the certified FIF equipment	

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(c) Any tug that is certified as "Ice Class" shall be charged for, in addition to the above rates, at U.S. \$1,250 per day, or pro rata for part thereof, when forcing or breaking ice during the course of services including proceeding to and returning from the casualty.

Generators	Rate US\$	Welding & Cutting Equipment	Rate US\$
Up to 50kW	75	Bolt Gun	380
51 to 120kW	158	Gas Detector Hot Tap Machine, including supporting	115
121 to 30kW	253	equipment	1,150
Over 301 kW	443	Oxy-acetylene Surface Cutting Gear	32
Portable Inert Gas Systems		Underwater Cutting Gear	64
1,000m 3/hour	1,380	Underwater Welding Kit	64
1,500m 3/hour	1,610	250 Amp Welder	190
Compressors		400 Amp Welder	253
High Pressure	115	Pollution Control Equipment	
185 CFM	190	Hot Tap Machine, Including support equipment	1,265
600 CFM	317	Oil Boom 24" per 10 meters	39
1200 CFM	506	Oil Boom 36" per 10 meters	126
Air Manifold	13	Oil Boom 48" per 10 meters	224
Blower 1,500 m3/min	1,076	Ballast/Fuel Storage Bins up to 10,000 litres	75
Pumping Equipment		Ballast/Fuel Storage Bins 10,000 to 25,000 litres	100
Air Manifold		Ballast/Fuel Storage Bins 25,000 to 50,000 litres	126
1"	65	Lighting Systems	
2"	95	Halogen System	100
3"	110	Lighting String, per 50 feet	32
<u>Diesel</u>		Light Tower	64
2"	64	Underwater Lighting System, 1,000 watts	95
4"	114	Winches	
6"	152	Up to 5 tons, including 50 meters of wire	150
Electrical Submersible		Up to 10 tons, including 50 meters of wire	175
2"	64	Up to 20 tons, including 50 meters of wire	250
4"	190	Storage Equipment	
6"	759	12' Container	32
Hydraulic		20' Container	50
3"	500		
6"	759		
8"	1,265		

(d) Any launch or work boat of less than 500 BHP shall, exclusive of fuel and lubricating oil, is charged for at a rate of US \$3.75 for each BHP.

III. PORTABLE SALVAGE EQUIPMENT

(a) The daily tariff for all portable salvage equipment reasonably engaged during the services, including any time necessary for mobilization and demobilization, shall be as follows:

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Hoses	Rate US\$	Miscellaneous Equipment	Rate US\$
Air Hose	·	Air Bags less than 5 tons lift	50
3/4"	5	5 to 15 tons lift	253
2" per 30 meters or 120 feet	10	Air Lift - 4"	126
<u>Layflat</u>		6"	253
2" per 6 meters or 20 feet	14	8"	379
4" per 6 meters or 20 feet	19	Air Tugger, up to 3 tons	95
6" per 6 meters on 20 feet	25	Ballast/Fuel Oil Storage Bins- 50,000 Liters	115
		Chain Saw	25
Rigid		Containier Handling Package	200
2" per 6 meters or 20 feet	19	Communications Package	200
4" per 6 meters or 20 feet	25	Damage Stability Computer and Software	315
6" per 6 meters on 20 feet	32	Echo Sounder, portable	32
8" per 6 meters on 20 feet	38	Extension Ladder	25
		Hydraulic Jack, up to 50 tons	50
Fenders		Hydraulic Jack, up to 120 tons	95
<u>Yokohama</u>		Hydraulic Powerpack up to 40kW	
1.00m x 2.00m	95	Hydraulic Powerpack 75kW	95
2.50m x 5.50m	190	Pressure Washer - Water	316
3.50m x 6.50m	317	Pressure Washer - Steam	570
		Rigging Package Heavy	506
Low Pressure Inflatable		Rigging Package Light	253
3 meters	89	Rock Drill	58
6 meters	89	Rock Splitter	460
9 meters	190	Steel Saw	25
12 meters	316	Tirfors, up to 5 tons	14
16 meters	316	Thermal Imaging Camera	316
		Tool Package, per set	220
Shackles		Ventilation Package	25
Up to 50 tons	13	VHF Radio	25
51 to 120 tons	25	Z Boat, Including outboard	
121 to 200 tons	39	up to 14 feet	253
Over 200 tons	64	over 14 feet	443
Distribution Boards		Protective Clothing	
Up to 50kW	75	Breathing Gear	64
51 to 120kW	158	Hazardous Environment Suit	126
121 to 300kW	253	Cooler; Evaporative 36" 9800 Cfm, 110v	100
Over 301kW	443	Heater 55,000/110,000 Btu	250
Diving Equipment		Gas Monitor, Four Gas Types	175
High Pressure Compressor 3500 psi/17 Cfm	200	Nitrogen Generator - 1500 SCFH @ 96%, 220v	2,450
High Pressure Compressor 5500 psi/5 Cfm	115	PPE: Ascending/Descending Pkg 4 man	350
Decompression Chamber with Medical Lock	325	PPE: Bunker Gear Pkg: 1 man	125
Decompression Chamber		PPE: Chemical Suit Pkg, Class A; 1 man	145
2 man, including compressor	632	PPE: Chemical Suit Pkg, Class B; 1 man	25
4 man, including compressor	885	PPE: Cold Weather 1st Response Kit	35
		PPE: Confined Space Entry 2 man Pkg with	
Hot Water Diving Assembly	316	Communications	525
Underwater Magnets	25	PPE: Survial Suit, Immersion	10
Underwater Drill	25	Ventilation Pkg. Vane Axial: 1,500 Cfm	100
Shallow Water Dive Spread	285	Ventilation Pkg. Venturi Type: 4,000 Cfm	115



SCHEDULE A - LIST OF COVERED OWNER VESSELS (Nontank)

Company Name:					Cuantica maistana	Muly Idual:			
DPA/Ops Contact Name:	x Name:				DPA AOH	DPA AOH Telephone:			
DPA Telephone:					DPA Fax:				
DPA Mobile:					DPA e-mail:	<u></u>			
VESSEL NAME	IMO#	VESSEL TYPE (LNG Tanker, LPG Tanker, Bulk Carrier, General Cargo, etc.)	DWT	P&I CLUB (Skuld, Gard, British Marine, UK, etc.)	CLASS (ABS, DNV, etc.)	H&M INSURER	DECK AREA (LOA x Breadth) (Sq. Meters)	Largest Fuel Tank Capacity (cubic meters)	Damage Stability Provider (if any)



SCHEDULE A - LIST OF COVERED OWNER VESSELS (Tank)

Company Name:					0	Qualified Individual:	ıl:			
DPA/Ops Contact Name:	t Name:				D	DPA AOH Telephone:	ne:			
DPA Telephone:					a	DPA Fax:				
DPA Mobile:					a	DPA e-mail:				
VESSEL NAME	#OWI	VESSEL TYPE (Crude Oil Tanker, Oil/Chemical Tanker, Products Tanker, etc.)	DWT	P&I CLUB (Skuld, Gard, British Marine, UK, etc.)	CLASS (ABS, DNV, etc.)	H&M INSURER	DECK AREA (LOA x Breadth) (Sq. Meters)	Largest CargoTank Capacity (cubic meters)	Heaviest Oil Carried (Group	Damage Stability Provider



SCHEDULE B - LIST OF COVERED CAPTAIN OF THE PORT (COTP) ZONES

Northern New England	Jacksonville, FL	Corpus Christi, TX	Guam
Boston, MA	Miami, FL	San Diego, CA	Buffalo, NY
Southeastern New England	Key West, FL	Los Angeles/Long Beach, CA	Detroit MI
Long Island Sound, CT	San Juan, PR	San Francisco Bay	Lake Michigan
New York, NY	St. Petersburg, FL	Portland, OR	Sault Saint Marie, MI
Delaware Bay	Mobile, AL	Puget Sound, WA	Duluth, MN
Baltimore, MD	New Orleans, LA	Southeast Alaska	Pittsburgh, PA
Hampton Roads, VA	Morgan City, LA	Prince William Sound	Ohio Valley
North Carolina	Port Arthur, TX	Western Alaska	Upper Mississippi
Charleston, SC	Houston-Galveston, TX	Honolulu, HI	Lower Mississippi
Savannah, GA			

Local Public Firefighting Resources

Northern New England	Portland Fire Department		San Francisco Fire Department
Boston	Boston Fire Department	San Francisco, CA	Port of Humboldt Bay/ Humboldt Fire Dept
Southeastern New England	Providence Fire Department		Oakland Fire Department
Long Island Sound, CT	Bridgeport Fire Department Battalion		Port of Portland Fire Dept.
Long Island Sound, C1	New Haven Fire Department	Portland, OR	Coos Bay Fire Department
New York	Newark Fire Department, Washington St.	Portiand, OK	Siletz Fire Department
New York	Newark Fire Department, 8th Ave.		Astoria Fire Department
Delaware Bay	Wilmington Fire Department		Seattle Fire Department
Delaware Bay	Philadelphia Fire Department		Bellingham Fire Department
Baltimore, MD	Baltimore City Fire Department		Vancouver Fire Department
	Richmond Fire Station	Seattle, WA	Everett Fire Department
Hampton Roads, VA	Norfolk Fire Department	Seattle, WA	Fife Fire Department
	Newport News Fire Department		Bremerton Fire Department
North Carolina	Morehead City Fire & EMS		Olympia Fire Department
North Caronna	Tol Fire Department, West Port Station		Anacortes Fire Department
Charleston, SC	Charleston Fire Department	SE Alaska	City of Ketchikan Fire Department
Savannah, GA	Savannah Fire Department	Prince William Sound	City of Valdez Fire Department
	Port Canaveral Fire Station, Columbia Rd.	Prince William Sound	Alyeska Marine Terminal Fire Team
Jacksonville, FL	Port Canaveral Fire Station, Jackson Ave.	Western Alaska	City of Anchorage Fire Department
	Jacksonville Fire and Rescue	Western Alaska	City of Unalaska Fire Department
Miami, FL	Fire Rescue Station # 106	Honolulu, HI	Honolulu Fire Department
Miaiii, FL	Miami Fire Department	Hollolulu, HI	Hawaii County Fire Dept.
Key West, FL	Key West Fire Department	Guam	Guahan Fire Department
San Juan, PR	Puerto Rico Fire Department		Sloan Fire Department
St. Petersburg, FL	Lakewood Fire Station	Buffalo, NY	Oswego Fire Department
	City of Mobile Fire Department		Cleveland Fire Department, Engine 1
Mobile, AL	Northwest side Volunteer Fire Department		Detroit Fire Department
	Gulfport Fire Department	Detroit, MI	Toledo Fire and Rescue Operations
New Orleans, LA	Harbor Police		Duluth Fire Department
Morgan City, LA	Morgan City Fire Department	Lake Michigan	Chicago Police Marine Unit
Port Arthur, TX	Port Arthur Fire Station	Lake Michigan	Milwaukee Fire Department
	Galveston Fire Station Central	Sault Saint Marie, MI	Sault Fire Department
Houston-Galveston, TX	Houston Fire Station 7	Duluth, MN	Duluth Fire Department
Houston-Gaiveston, 1 A	Freeport Fire Station #1	Pittsburgh, PA	Pittsburgh Fire Bureau
	Texas City Fire Department, Station #2		Pleasure Ridge Fire Department
	Corpus Christi Fire Department	Ohio Valley	City of Paducah Fire Dept
Corpus Christi, TX	Refinery Terminal Fire Company	· · · · · · · · · · · · · · · · · · ·	Cincinnati Fire Department
	City of Brownsville Fire Department	Hanna Minningiani	St. Louis Fire Department
San Diego, CA	Port of San Diego	Upper Mississippi	Minneapolis Fire Department
	Port of Long Beach Command / Control	I amount Mandagland	Manualia Eine Coming
Los Angeles/Long Beach	City of Morro Bay Fire Department	Lower Mississippi	Memphis Fire Services

Local Private Firefighting Resources

See http://www.donjon-smit.com/geographic-specific-annexes/

Facilities

See http://www.donjon-smit.com/geographic-specific-annexes/

Emergency Towing Vessels

See http://www.donjon-smit.com/geographic-specific-annexes/



SCHEDULE C - SPECIFIC RATE INFORMATION APPLICABLE TO ANNEXES 1 AND 2

I. PERSONNEL

- a) The crews of tugs and other craft normally on board that tug or craft for the purpose of its customary work are included in the tariff rate for that tug or craft but when, because of the nature and/or location of the services to be rendered, it is a legal requirement for an additional crew members to be on board the tug or craft, the cost of such additional crew members will be paid by OWNER.
- b) The rates for any personnel not set out above shall be agreed with the client representative or, failing agreement, be agreed through mediation or determined by Arbitration.
- c) For the avoidance of doubt, personnel are "reasonably engaged on the contract" when, in addition to working, they are eating, sleeping or otherwise resting on site or travelling to or from the site; personnel who fall ill or are injured while reasonably engaged on the contract shall be charged for at the appropriate daily tariff rate until they are demobilized but only if it was reasonable to mobilize them in the first place.
- d) Remuneration shall cease to accrue in respect of personnel who die on site from the date of death.

II. TUGS AND OTHER CRAFT

- a) For the purpose of the rates listed in these annexes, tugs shall be charged for because of and during any reasonable delay or deviation for the purposes of taking on board essential salvage equipment, provisions or personnel which DONJON-SMIT reasonably anticipates it shall require in rendering the services which would not normally be found on vessels of the tug's size and type
- b) Any other craft not falling within the above definitions shall be charged for at a market rate for that craft, exclusive of fuel and lubricating oil, such rate to be agreed with the client representative or, failing agreement, determined by Arbitration.
- c) All fuel and lubricating oil consumed during the services provided shall be considered an out of pocket expense and as such shall be limited to the cost-plus-15 % reimbursement limitation discussed in Article 6.
- d) For the avoidance of doubt, the above rates shall not include any portable salvage equipment normally on board the tug or craft and such equipment shall be treated in the same manner as warehoused portable salvage equipment and DONJON-SMIT shall be reimbursed in respect thereof in accordance with the portable salvage equipment sections of the appropriate Annex hereof.
- e) Remuneration shall cease to accrue in respect of tugs and other craft which become a commercial total loss from the date they stop being engaged in the services plus a reasonable period for demobilization (if appropriate) PROVIDED that such remuneration in respect of demobilization shall only be payable if the commercial total loss arises whilst engaged in the services and through no fault of DONJON-SMIT, its servants, agents or sub-contractors.

III. PORTABLE SALVAGE EQUIPMENT

- a) Any portable salvage equipment engaged but not set out above shall be charged for at a rate to be agreed with the client representative or, failing agreement, determined by Arbitration.
- b) All consumables shall be charged for at cost plus 15 % and shall be treated as an out of pocket expense.
- c) Remuneration shall cease to accrue in respect of portable salvage equipment which becomes a commercial total loss from the date it ceases to be useable plus a reasonable period for demobilization (if appropriate) PROVIDED that such remuneration in respect of demobilization shall only be payable if the commercial total loss arises while it is engaged in the services and through no fault of the DONJON- SMIT, its servants, agents or sub-contractors.

IV. <u>DOWNTIME</u>

If a tug or piece of portable salvage equipment breaks down or is damaged without fault on the part of the DONJON-SMIT, its servants, agents or sub-contractors and as a direct result of performing the services it should be paid for during the repair while on site at the stand-by rate of 50% of the tariff rate plus uplift (if any). If a tug or piece of portable salvage equipment breaks down or otherwise becomes inoperable without fault on the part of DONJON-SMIT, its servants, agents or sub-contractors and as a direct result of performing the services and cannot be repaired on site then:

- (a) If it is not used thereafter but remains on site, then no remuneration is payable in respect to that tug or piece of portable salvage equipment from the time of the breakdown.
- (b) If it is removed from site, repaired and reasonably returned to the site for use, remuneration at the standby rate of 50% of the tariff rate plus bonus (if any) shall be payable from the breakdown to the date it is returned to the site.
- (c) If it is removed from the site and not returned, remuneration ceases from the breakdown but is, in addition, payable for the period that it takes to return it directly to base at the stand-by rate of 50% of the tariff rate plus bonus (if any).

Attachment 6

CL Risk Solutions clrisk.com

xpoSure

DJS Clarif Mating #1 16/12/2019 Shared

Risk Forecast

Milestone

Residual risk exposure

MS.03.LS - Phase 3 completed - Wreck removed to seabed (27-Jul-2020)

Project Golden Ray - [A] Small Section Demolition and go no go for [B] Large Sections

Scenario GR.DJ.RF.03.01 (Dec 2019)

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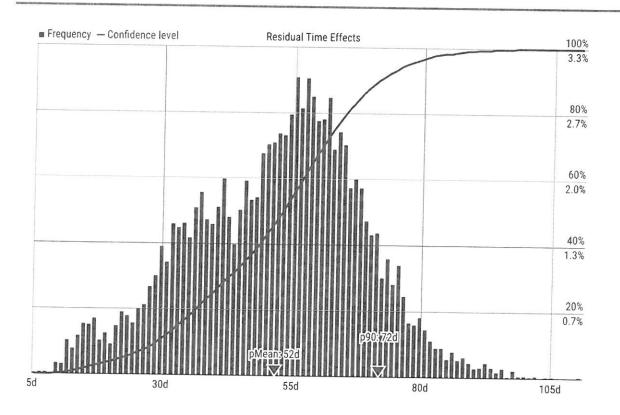
Risk Forecast MS.03.LS - Phase 3 completed - Wreck removed to seabed (27-Jul-2020) Page 2 of 3 $\,$



Milestone realisation Forecast - Summary statistics of Residual risk exposure

BEFORE FORECAST	Finish Date			Direct Cost	Indir. Cost	Project Cos
Base Case	27-JUL-'20			N/A	N/A	N/A
AFTER FORECAST	Forecasted Date	Tot. Cost Shift	Liq. Damages Shift	Direct Cost Shift	Indir. Cost Shift	Tot Project Cost
Expected Mean Value	17-SEP-'20	N/A	N/A	N/A	N/A	N/A
Confidence Levels			White the second		11//	117/
5%-Certainty of no exceeding	19-AUG-'20	N/A	N/A	N/A	N/A	N/A
10%-Certainty of no exceeding	26-AUG-'20	N/A	N/A	N/A	N/A	N/A
20%-Certainty of no exceeding	2-SEP-'20	N/A	N/A	N/A	N/A	N/A
30%-Certainty of no exceeding	8-SEP-'20	N/A	N/A	N/A	N/A	N/A
40%-Certainty of no exceeding	14-SEP-'20	N/A	N/A	N/A	N/A	N/A
50%-Certainty of no exceeding	19-SEP-'20	N/A	N/A	N/A	N/A	N/A
60%-Certainty of no exceeding	23-SEP-'20	N/A	N/A	N/A	N/A	N/A
70%-Certainty of no exceeding	27-SEP-'20	N/A	N/A	N/A	N/A	N/A
80%-Certainty of no exceeding	1-0CT-'20	N/A	N/A	N/A	N/A	N/A
90%-Certainty of no exceeding	7-0CT-'20	N/A	N/A	N/A	N/A	N/A
95%-Certainty of no exceeding	12-OCT-'20	N/A	N/A	N/A	N/A	N/A
99.9%-Certainty of no exceeding	17-NOV-'20	N/A	N/A	N/A	N/A	N/A
RUR, Relative Uncertainty Ratio	16.16%	N/A	-	· · · · · · · · · · · · · · · · · · ·	11//	IVA

Time risk shift distribution and S-curve

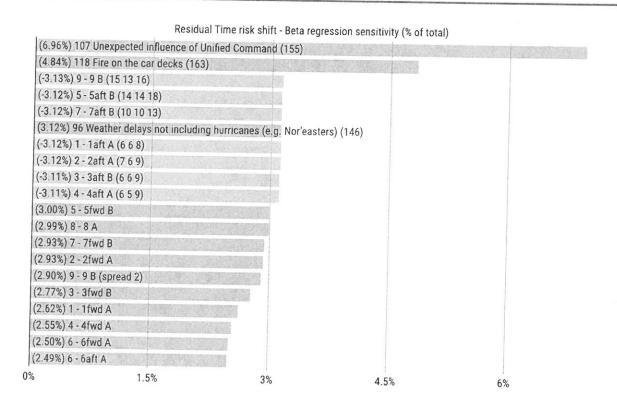


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Risk Forecast MS.03.LS - Phase 3 completed - Wreck removed to seabed (27-Jul-2020) Page 3 of 3 $\,$

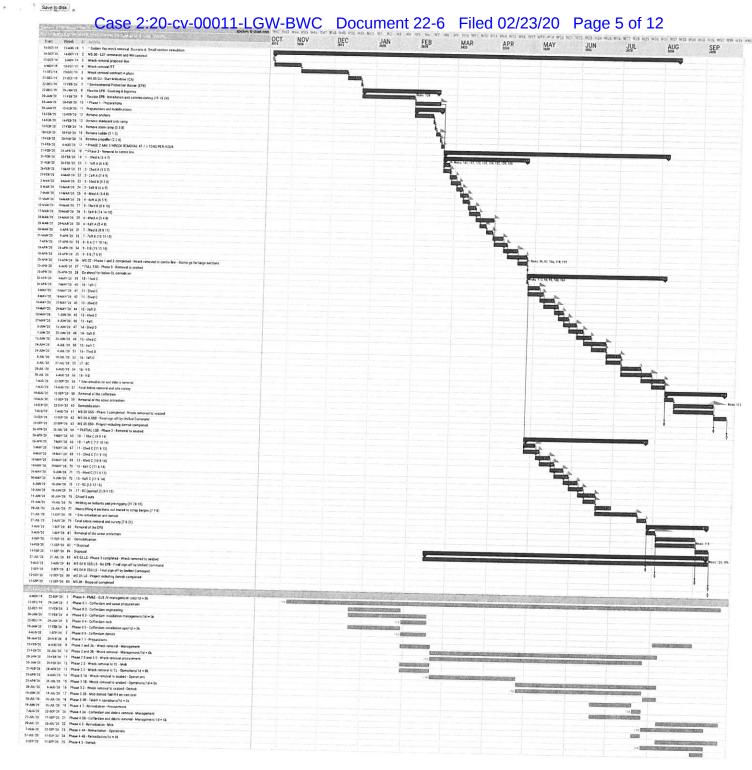


Time sensitivities



Comparison of initial and residual Time risk shift exposure

(Run both Initial and Residual forecast to obtain a Comparison Graph)



CL Risk Solutions clrisk.com

xpoSure

Clouf Muty # 2 on 15/12/2019 S. Lown not yet show.



Risk Forecast

Milestone

Residual risk exposure

MS.03.TT - Wreck removed (13-May-2020)

Project T&T - MV Golden Ray Wreck Removal

Scenario GR.TT.RF.01.02 (Dec-19)

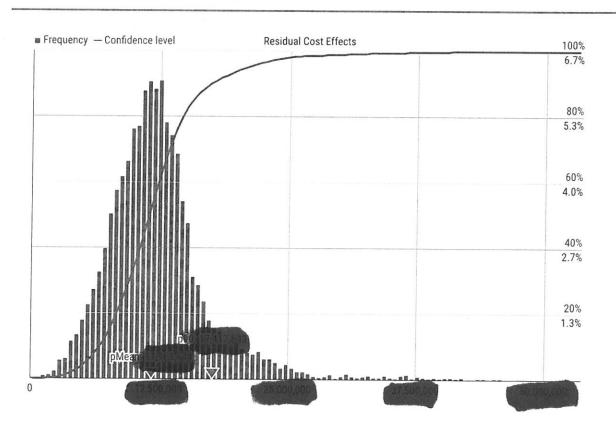
Risk Forecast MS.03.TT - Wreck removed (13-May-2020) Page 2 of 6



Milestone realisation Forecast - Summary statistics of Residual risk exposure

BEFORE FORECAST	Finish Date			Direct Cost	Indir. Cost	Project Cost
Base Case	12-MAY-'20			61,000,003		
AFTER FORECAST	Forecasted Date	ot. Cost Shirt	Liq. Damages Shift	Direct Cost Shift	Indir. Cost Shift	Tot. Project Cost
Expected Mean Value	30-MAY-'20		18		2112703.473	79 125 626
Confidence Levels						
5%-Certainty of no exceeding	23-MAY-'20	5,310,275	10		5,061,235	173,172,256
10%-Certainty of no exceeding	24-MAY-'20	6,686,824	12		6,429,705	174,548,805
20%-Certainty of no exceeding	26-MAY-'20	3,289,467	14		8,034,789	176 151,418
30%-Certainty of no exceeding	27-MAY-'20	9,507.717	15	244,260	9,233,368	177,3 -0 598
40%-Certainty of no exceeding	28-MAY-'20	10526205	16	293,792	10,237,677	178,338,135
50%-Certainty of no exceeding	29-MAY-'20	11,447,518	17	323,654	11 195,894	179,309,409
60%-Certainty of no exceeding	30-MAY-'20	12,349,565	18	395,318	12,092,425	180,211,546
70%-Certainty of no exceeding	1-JUN-'20	13,379,517	19	368,450	13 118,598	187 241 498
80%-Certainty of no exceeding	2-JUN-'20	14 674 599	21	394,341	14.405.043	182,536,580
90%-Certainty of no exceeding	6-JUN-'20	17	24	47 292	17 130 801	185,279,625
95%-Certainty of no exceeding	10-JUN-'20	20,843,111	28	451,815	20,548,835	188,705,092
9.9%-Certainty of no exceeding	15-JUL-'20	54,194,957	64	. 605,249	54,194,893	222,056,938
RUR, Relative Uncertainty Ratio	11.07%	8.64%	F			

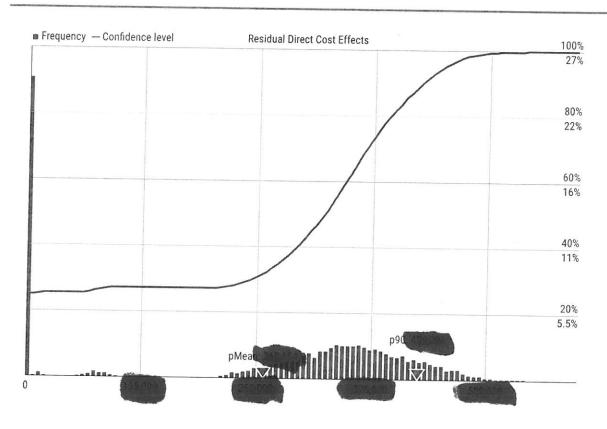
Cost risk shift distribution and S-curve



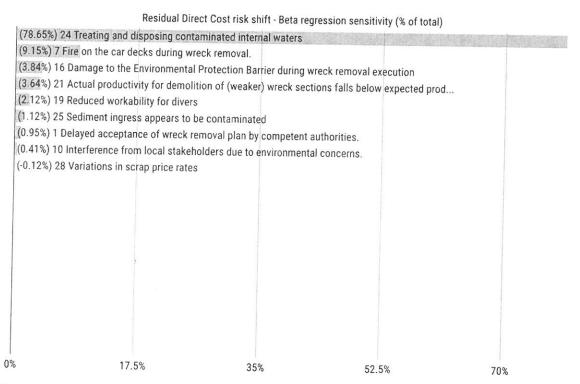
Risk Forecast MS.03.TT - Wreck removed (13-May-2020) Page 3 of $6\,$



Direct Cost risk shift contribution



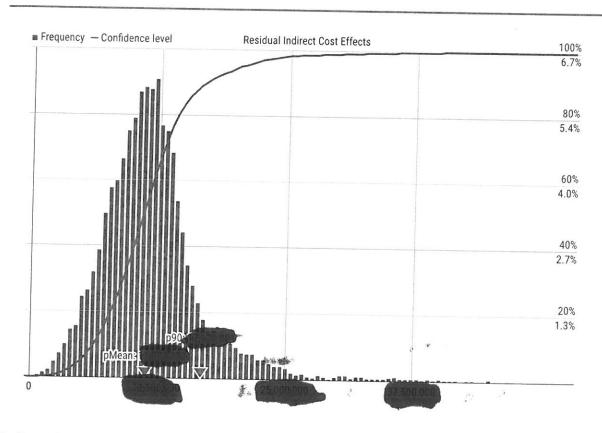
Direct Cost sensitivities



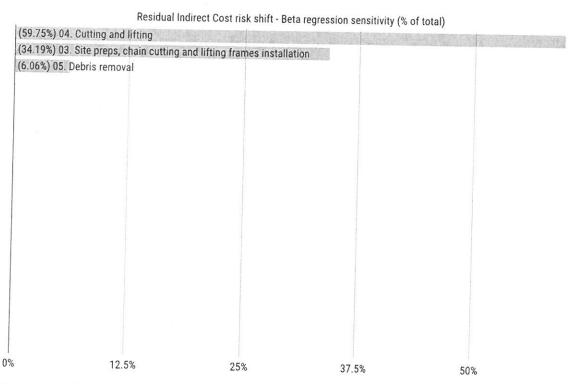
Risk Forecast MS.03.TT - Wreck removed (13-May-2020) Page 4 of 6



Indirect Cost risk shift contribution



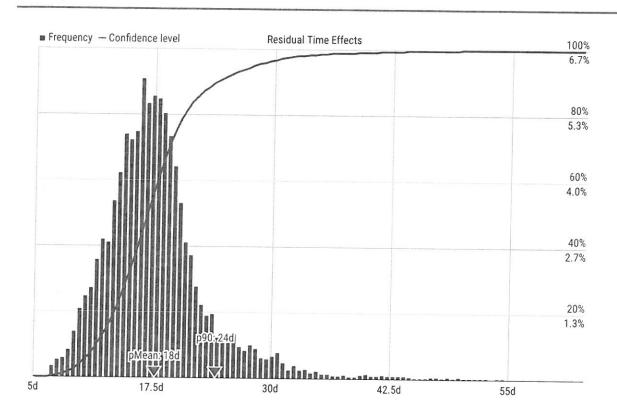
Indirect Cost sensitivities



Risk Forecast MS.03.TT - Wreck removed (13-May-2020) Page 5 of 6



Time risk shift distribution and S-curve



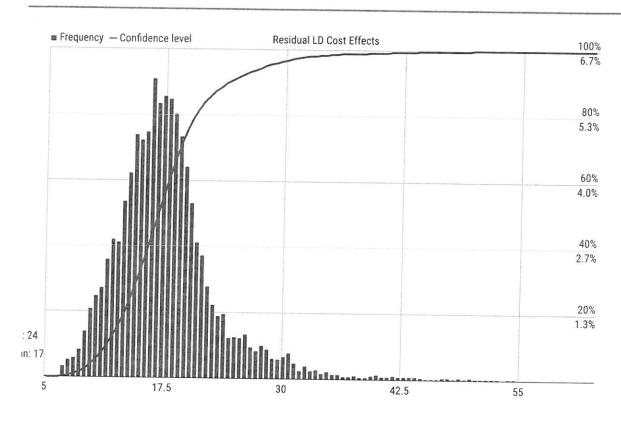
Time sensitivities

Residual Time risk shift - Beta regression sensitivity (% of total) (10.85%) 32 Section on barge collapses tilts and falls from transport barge or cannot be transferre. (9.92%) 12 Pollution from wreck within the perimeter of the Environmental Protection Barrier. (9.02%) 14 Instability of the wreck during wreck removal (8.53%) 4 Worksite exposure to a category 3 4 or 5 hurricane (7.73%) 34 Permitting delay for the height of the VB 10.000 (3.56%) 3 Worksite exposure to a category 1 or 2 hurricane. (3.30%) Lift Hull Section 5 & Secure onto Barge (3.25%) Lift Hull Section 6 & Secure onto Barge (3.19%) Lift Hull Section 3 & Secure onto Barge (3.13%) Lift Hull Section 4 & Secure onto Barge (2.47%) 7 Fire on the car decks during wreck removal. (2.45%) Weld beams (2.36%) 2 Intermediate work method changes enforced by competent authorities during wreck removal ... (2.34%) Install Lift Frame on Section 2 (2.33%) Install Lift Frame on Section 3 (2.31%) Install Lift Frame on Section 4 (2.23%) 31 Delays caused by current contractor vacating the site and command post (2.13%) Lifting Panel 1 (-2.13%) Lifting Panel 8 (2.13%) Prep hull at weld locations 0% 2.5% 5% 7.5% 10%

Risk Forecast MS.03.TT - Wreck removed (13-May-2020) Page 6 of 6

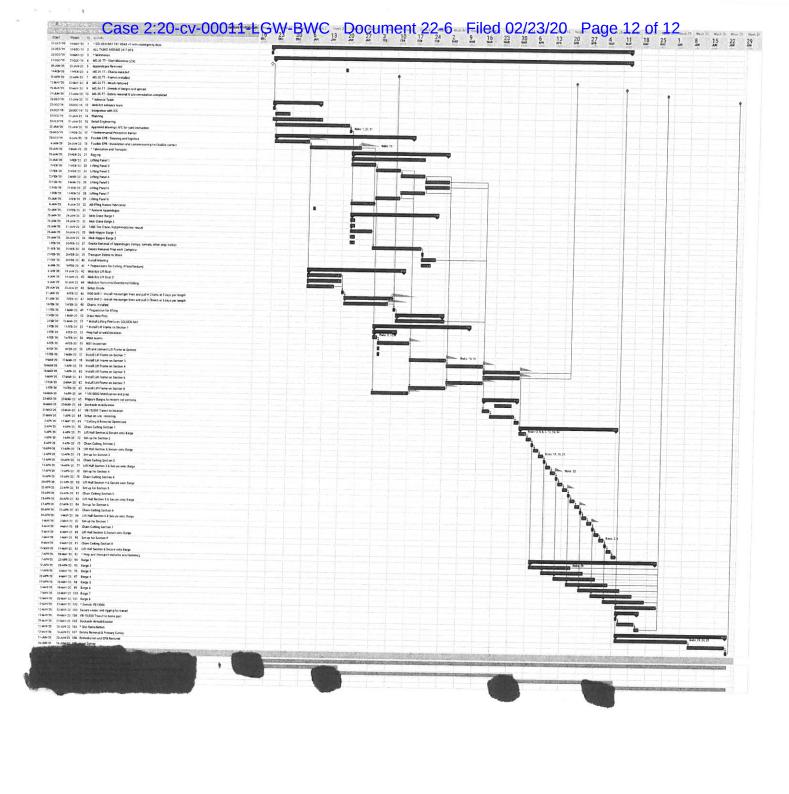


Liquidated Damages Cost risk shift contribution



Liquidated Damages Sensitivities

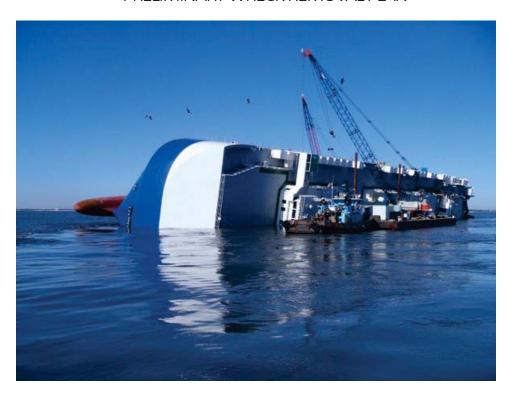
v	Residual LD Cost ri	sk shift - Beta regressior	sensitivity (% of total)	
(12.32%) 3	2 Section on barge collapses tilts and	falls from transport barg	e or cannot be transferre	A Samuel Control
(11.26%) 1	2 Pollution from wreck within the perin	neter of the Environment	al Protection Barrier.	
(10.23%) 1	4 Instability of the wreck during wreck	removal		
(9.68%) 4 V	Norksite exposure to a category 3 4 or	5 hurricane		
(8.78%) 34	Permitting delay for the height of the	/B 10.000		
(4.03%) 3 V	Vorksite exposure to a category 1 or 2	hurricane.		
(3.94%) We	ld beams			
(3.74%) Lift	t Hull Section 5 & Secure onto Barge			
(3.68%) Lift	t Hull Section 6 & Secure onto Barge			
(3.62%) Lift	Hull Section 3 & Secure onto Barge			
(3.55%) Lift	Hull Section 4 & Secure onto Barge			
(3.37%) Ins	tall Lift Frame on Section 2			
(3.33%) Inst	tall Lift Frame on Section 3			
(3.17%) Inst	tall Lift Frame on Section 4			
(2.80%) 7 Fi	ire on the car decks during wreck remo	val.		
	termediate work method changes enfo		orities during wreck removal	
(2.53%) 31 [Delays caused by current contractor va	cating the site and comn	nand post	
(1.56%) 21 /	Actual productivity for demolition of (w	reaker) wreck sections fa	Ils below expected prod	
(1.45%) 6 Ti	dal currents impact workability	,	on one of prod	
	Cutting chain breaks			
6	3%	6%	9%	12%



Attachment 7

M/V GOLDEN RAY

PRELIMINARY WRECK REMOVAL PLAN





T&T SALVAGE, LLC

24-HOUR EMERGENCY RESPONSE +1 713 534 0700 INFO@TTSALVAGE.COM 8717 Humble Westfield Road Humble, Texas 77338

REV	DATE	DESCRIPTIO N OF REVISION	PREPARED BY Name/Position	CHECKED BY Name/Positio n	EXTERNAL APPROVALS
0	17-Dec-19	INITIAL ISSUE.	Matthew Cooke, NA T&T	Mauricio Garrido T&T	
1	18-Dec-19	UPDATE	Maxwell Andersen, NA T&T		

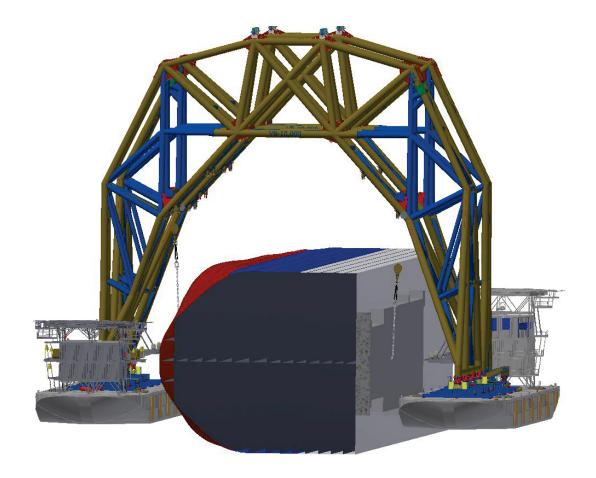
This document contains T&T Salvage LLC and proprietary information including trade secrets, commercial, and financial information. This information may not be distributed, used, copied or disclosed to third parties or otherwise appropriated without the written consent of the referenced companies above.

OVERVIEW

This document constitutes T&T's Initial Wreck Removal plan for executing the complete removal of the M/V GOLDEN RAY wreck and its cargo. This initial plan will be refined as more detailed engineering is carried out.

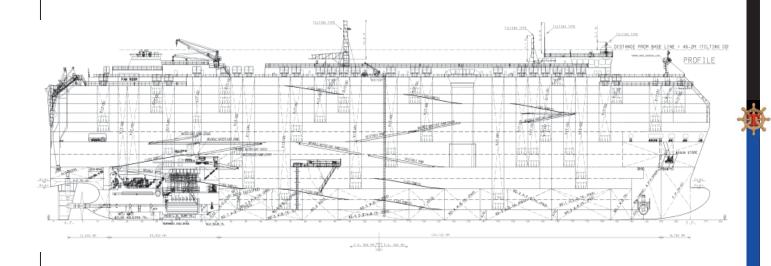
T&T Salvage's plan is to complete removal of the wreck using large section demolition. The vessel will be mechanically cut into eight (8) large sections and lifted onto barges for disposal using the US-flagged VB-10,000 floating crane.

The wreck removal team, led by T&T Salvage and primarily supported by strategic partners Versabar and Combi-Lift, is well equipped to successfully execute this project in a timely and environmentally sound manner. In addition, key subcontractors will provide additional critical assets and skills to undertake specific project tasks. The T&T technical and project management staff has provided the key expert leadership and technical know-how for several salvage and wreck removal operations around the world.



BACKGROUND INFORMATION VESSEL GENERAL PARTICULARS

Name	GOLDEN RAY				
Homeport	Majuro				
Туре	Ro-Ro				
Flag	Marshall Islands				
IMO Number	9775816				
Year Built	2017				
LOA	199.95 m				
LBP	188.70 m				
Breadth	35.40 m				
Depth	21.14 m				
Draft	10.60 m				
Deadweight	20,995 m				
Gross tonnage	71,178 m				
Lightship weight	21,433 m				



Overview of Current Condition

At around 0145 local time on 8 September 2019, the vessel listed to port and ran aground while transiting the Saint Simons Sound outbound from Brunswick, Georgia. Her current position is 31° 07.68 N, 081° 24.23 W with a list of 100°. Several fires in her cargo decks have occurred. Contractors have removed all accessible oil from the wreck. 4,122 vehicles remain in the wreck. All contain some fuel and batteries. The structural integrity of the vessel has been compromised since the incident. The current position is just outside the entrance channel for the Port of Brunswick with a heading of 147°.





A weather report was provided to T&T which shows historical cyclone trends and tabular representations of wave height data. This report, coupled with NOAA wave buoy data taken from Buoy 41008 (31.40 N, 80.87 W; or 31 nm from the casualty), shows sea conditions permitting small boat and dive operations. An engineered weather downtime assessment has been prepared and will be attached as an appendix to this document.

Additionally, a geotechnical report was provided to T&T describing the bottom conditions at the site. A granular sandy bottom covers the entire site, with limited clay layers. This bottom type will be suitable for horizontal directional drilling operations.



Percentage occurrence of wind speed (m/s)	Jan	Feb	Mar	apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	All Yr
11-12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10 - 11	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9-10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8-9	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
7-8	0.3	0.3	0.3	0.3	0.4	0.0	0.0	0.0	0.0	0.2	0.4	0.2	0.2
6-7	1.7	1.5	1.3	0.7	0.8	0.1	0.1	0.0	0.2	1.0	1.5	1.1	0.9
5-6	5.7	4.4	4.4	3.9	1.5	0.9	0.6	0.6	2.5	3.2	5.6	4.8	3.2
4-5	12.1	11.8	11.5	12.2	7.8	6.1	4.2	4.0	6.3	8.2	11.0	12.3	9.1
3-4	23.7	22.6	23.6	28.1	26.4	22.8	20.9	16.0	19.8	21.4	23.0	23.2	22.7
2-3	28.7	29.5	31.3	30.5	35.7	36.6	37.7	37.0	35.7	34.9	29.6	28.0	32.8
1-2	22.2	23.9	21.9	19.9	22.2	26.5	28.9	33.6	27.2	24.2	22.9	23.4	24.6
0-1	5.5	5.9	5.6	4.3	5.2	6.9	7.7	8.7	8.2	6.8	6.1	6.8	6.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0



METHOD STATEMENT EVALUATION AND METHODOLOGY SELECTION

The T&T team contemplated the feasibility of several different methodologies for the removal of the vessel from its current position. The most time-effective approach is to cut the vessel in eight (8) large sections and lift each section onto barges for disposal with VB-10,000.

Benefits for the above option:

- High Regard for safety
 - o Minimal Dive operations
 - o Minimal risk of fire from cutting
 - o Low risk to salvage crew
 - Netting to reduce the risk of debris falling from the wreck during transport.
- Minimal environment impact
 - o Length of time onsite reduces risk to wildlife
 - o Fewer sections reduces amount of debris to enter the water
 - Chain cutting which is the loudest portion of the operation is only needed a total of 7 days and spaced out 5 days at a time
- Time Efficient
 - Short lead-time for required resources
 - o Large sections reduce onsite time
 - o Operation likely to finish before hurricane season
- Operationally and technically sound methodology
 - Proven techniques
 - o Technically
- Experienced US based Salvage Team and Contractors



Methodology

OVERVIEW

The plan involves cutting the GOLDEN RAY into eight (8) sections weighing between 2,700 tons to 4,100 tons. The sections will then be lifted by the DP3 twin-hull VB-10,000. The wreck sections will be cut with chain or tungsten cutting wire passed under the wreck through bores drilled by a horizontal directional drilling contractor. VB-10,000's 500-ton auxiliary hooks will be used to pull the chain in the cutting operation. Prior to cutting, lifting frames will be welded to the side shell of the GOLDEN RAY. These lifting frames will be used to both distribute the load from lifting and to provide additional structural support and girder strength. Once cut, the individual sections will be loaded onto prepared deck barges which will be outfitted with a spill containment barrier and support structures for sea fastening. These sections will be towed on the barges to MARS Recycling for disposal.

ADVANCE TEAM MOBILIZATION

An advance team will be mobilized to the Incident Command Post and the wreck site to integrate with the Unified Command and begin detailed on site assessments and preparations. During this time, engineering calculations and designs for lifting frames and rigging will be optimized. A logistics team will begin preparations for mobilization of salvage crew and equipment while the VB-10,000 will be prepared for mobilization.

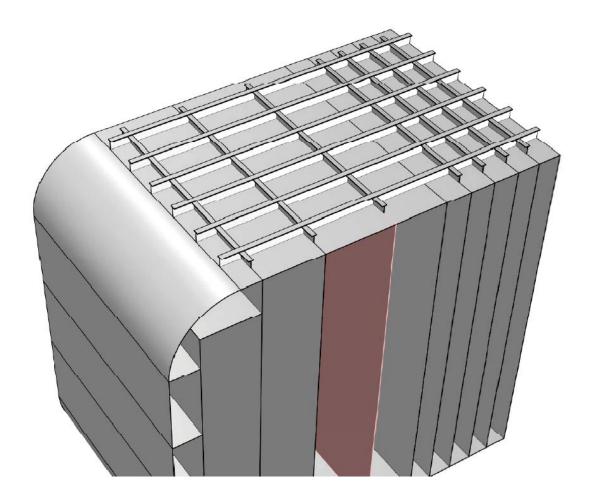
A preliminary 3D hydrographic survey will be completed to establish a baseline condition for the wreck site. Mobilization of subcontractors will be coordinated. As more detailed information is gathered the proof of concept technical designs herein will be refined using both internal and external engineering support.



PREPARATIONS FOR LIFTING

Engineered lifting frames for each section will be prefabricated at several shoreside facilities. Frame sections will be transported to the wreck location, lifted aboard by a US flag crane barge, and welded on the starboard side shell of each section prior to the arrival of the VB-10,000. This frame will be designed to spread the lifting force into the entire structure and prevent point loading. It will also assist in maintaining the structural integrity of the sections as they are separated to prevent collapse during or after the cutting operation. T&T will utilize several teams of welders to complete this portion of the operation in a time-efficient manner. Fixed fall protection features will be installed to maximize personnel safety and environmental protection while working on the side of the wreck.

During this time, large appendages will also be removed to reduce weight and eliminate interference during lifting operations. These include the stern ramp, starboard ramp, cranes, funnel, rudder, propeller if not already removed. A 1,000-ton or similar US Flag revolving derrick barge, crane barges and hopper barges will be used to support these operations.



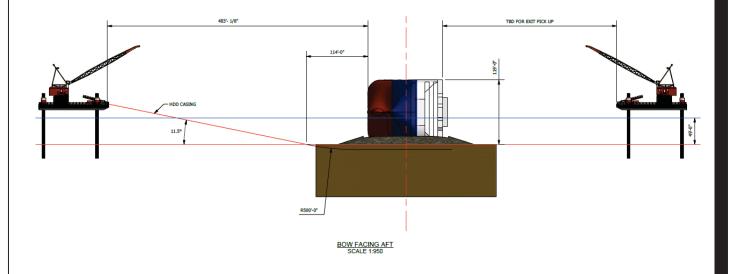


EXAMPLE OF LIFTING FRAME INSTALLED ON SECTION

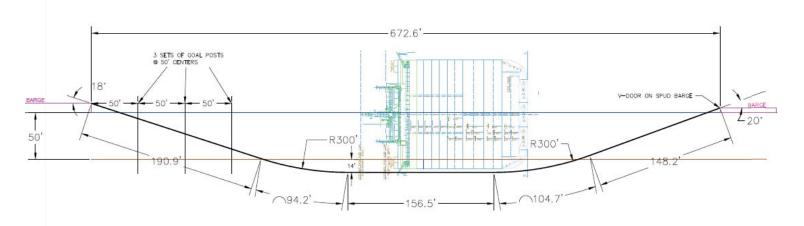
HORIZONTAL DRILLING

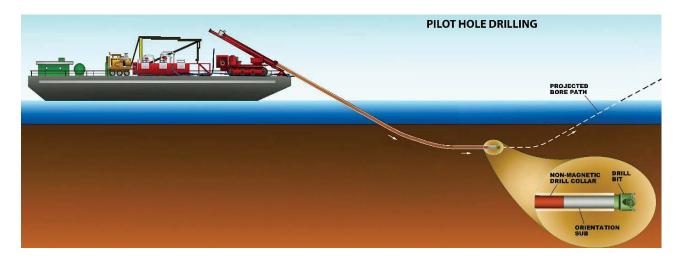
Horizontal directional drilling (HDD) systems will be mobilized to bore holes to pass the cutting chain/wire cutting chain under the wreck. These systems will be operated from jack-up barges on the southern side of the vessel to eliminate the possibility of encountering the right-of way to the landward side. Messenger lines will be returned through the holes, and a 3-inch chain will be pulled through with a winch and capped off inside a high-density polyethylene sleeve (HPDE) to keep it free for cutting.

A custom pull head will be returned through each bore and pull the HPDE sleeve into position. Subsequent messenger lines will be used to pull the chain through. A messenger line will remain in place as a contingency in case the chain breaks during cutting.



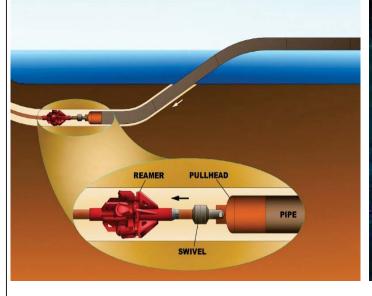
PROFILE VIEW







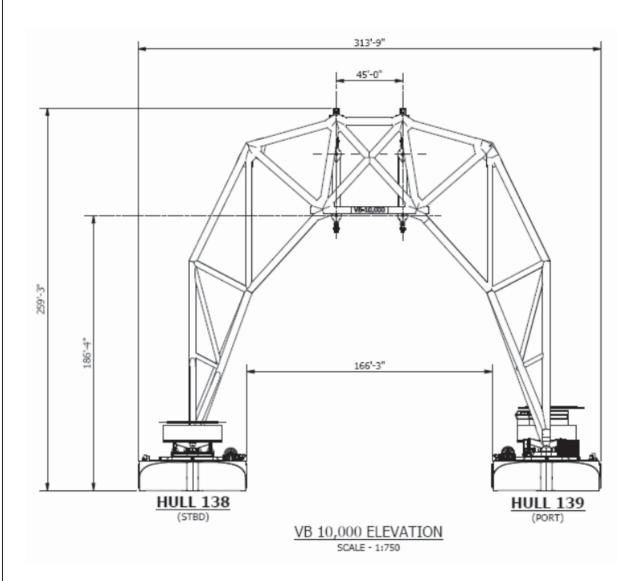




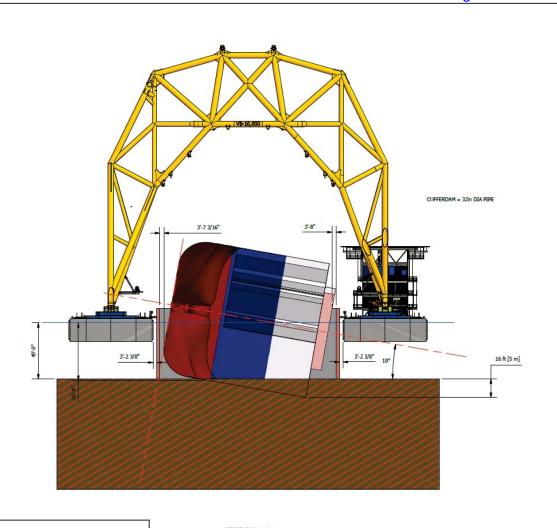


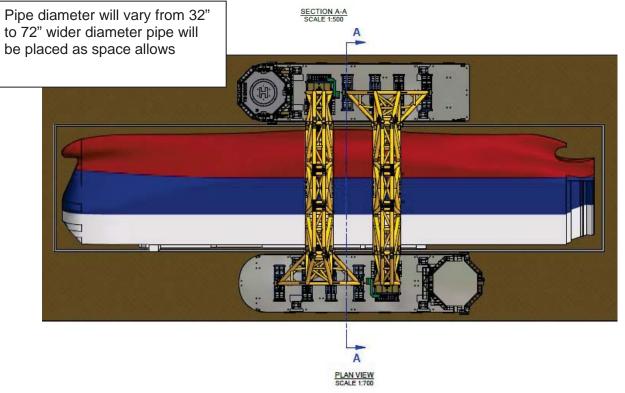
ENVIRONMENTAL PROTECTION BARRIER CONSTRUCTION - EPB

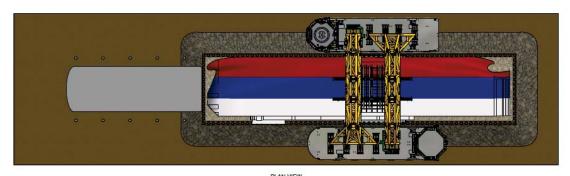
An environmental protection barrier will be constructed according to the approved UC plans. This barrier construction will run in tandem with other wreck removal preparations. A semi permeant barrier will not hinder the methodology proposed in this plan. The VB 10,000 has a distance of 166' between hulls as long as the width of he barrier does not exceed 160' there will be no issues with the VB 10,000 working around the barrier.

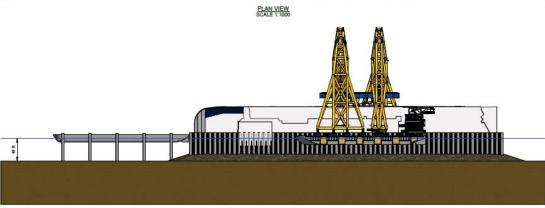


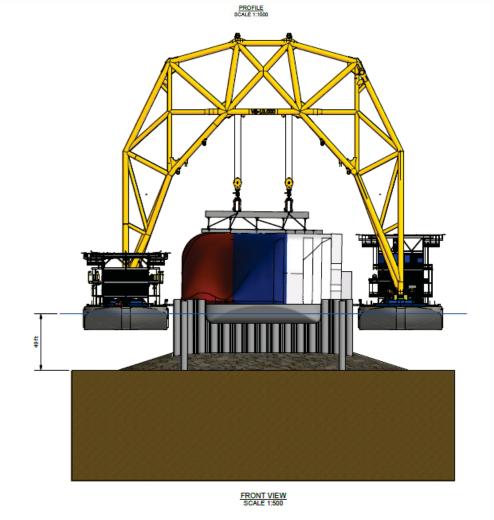










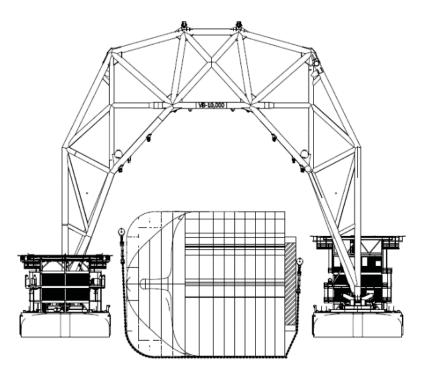


CUTTING

The wreck will be severed into eight (8) sections by chain cutting, utilizing two of the 500-ton auxiliary blocks fitted on the VB-10,000. Note that the VB-10,000 is fitted with four (4) 500-ton auxiliary blocks in total. Each set of two (2) blocks will be pre-rigged to assist with the chain cutting operations. This will allow for redundancy should there be a need to utilize the second set of 500-ton blocks for chain cutting if required for any reason. Each of the 500-ton blocks is also fitted with redundant load cells that provide real time load monitoring.

In addition to load monitoring, pressures are also monitored in real time that correspond with a given output load for each winch/block. The controls for all lifting blocks are situated in the control room of the VB-10,000 and operated by a PLC based system. As a back-up, local controls at each winch location are available if required.

The chain sections (seven in total) will have been pre-set as described above. 3 or 4-inch Di-Lock chain will be utilized for all cutting. The VB-10,000 will position over each section of chain and connect two (2) of the 500-ton blocks to each end of the chain. The chain will then be pre-tensioned, load and pressures being monitored throughout the entirety of the operation. Before cutting begins the lifting rigging will be installed between the main blocks of the VB10,000 and the section to be cut. This will stabilize the section and prevent the smaller bow and stern sections from rotating over.



With the chain pre-tensioned on the

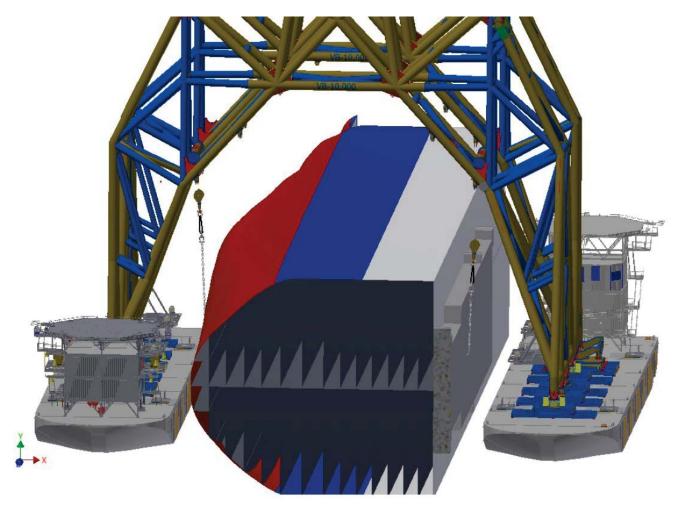
hull the 500-ton blocks will begin cycling up and down, initiating the cutting of the hull section. The bow section will be secured with chain or stanchions to prevent tipping on the fair shape as it is detached from the midship section. The cycle speed of the 500-ton blocks is a maximum of 7 ft/min. Speed and tension/load will be dictated by the progress of the cutting operation. The designated cut locations are shown in the "Technical Considerations" discussion. The chain will be cycled up and down as the cut is made.

As the chain moves up the hull section the operations will be halted in order to remove sections of links in order to shorten the chain as it moves vertically to complete the cut. To do this cutting will be halted and one (1) of the two (2) 500-ton blocks will be lowered to allow slack in the chain. The connection link will be pulled to the deck of the VB-10,000 utilizing one, or two, of the eight (8) 30t winch lines fitted on

the vessel. With the chain secured on deck the designated chain sections will be removed and the cutting section reconnected to the link.

It should be noted that above the link there will be a short section of appropriately sized synthetic Amsteel line to allow for some amount of stretch during the cutting. This will also dampen some of the vibration created from the chain cycling through the hull section during cutting. As a safety measure, there will be a second synthetic line attached to this connection as well (from the block to the link) of a longer length. This will act as a "catch" should the main synthetic line fail, keeping the chain from falling into the water.

Upon completion of each cut the severed section will be lifted and secured onto a prepared material transportation barge for transport to the disposal facility.







TUNGSTEN CUTTING WIRE

LIFTING

In sequence, the VB-10,000 will make one hull section cut and then remove the severed section. After the hull section has been severed (common to all eight (8) of the sections to be cut) the VB-10,000 will remove the chain from the 500-ton blocks and position over the section to be removed. The VB-10,000 main hoist blocks, four (4) in total, will be pre-rigged to remove each section. Rigging for each section will be common and the vessel will be rigged to complete all eight (8) section removals prior to initiation of the operations.

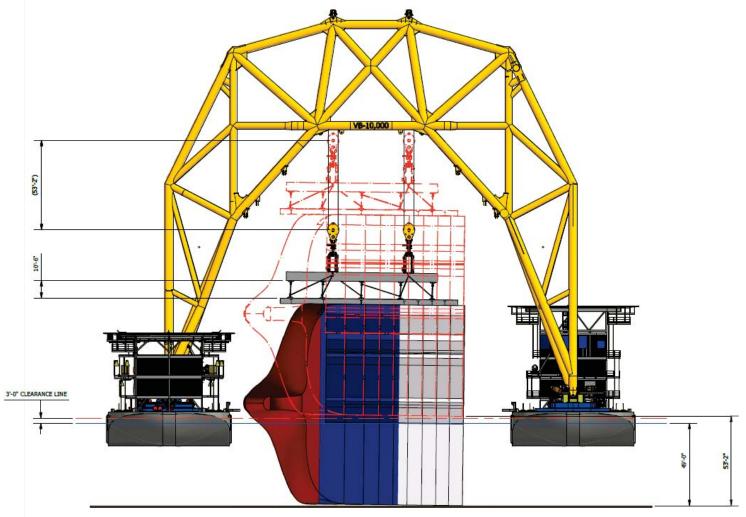
The winch system is operated through a Programmable Logic Controller (PLC). The system is a redundant ControlLogix PLC processor with Flex I/O. A ProSoft serial communications module sends data to the server via a serial to Ethernet module. Flex remote I/O panels in various locations on the system are comprised of four HPU panels, two wide side load cell panels and two block beam load cell panels. A Flex remote I/O rack in the control room is used for winch control joysticks, switches and pushbuttons.

With the VB-10,000 positioned over the section to be removed the main hoist rigging will be lowered to the lifting frames. As detailed earlier, the engineered lifting frames for each section will be been preinstalled prior to the arrival of the VB-10,000. The upper rigging mounted on the VB-10,000 will be connected to the lifting frame.

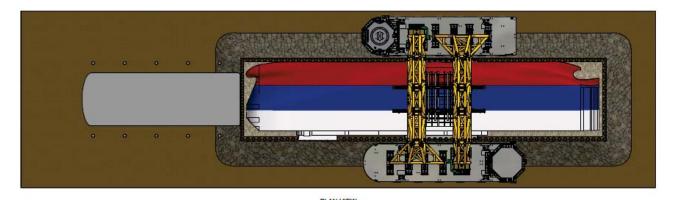
With the rigging connected to the hull section and pre-tensioned lift operations will commence. Verification of loads will be done, as will continual load and pressure monitoring of the main hoist blocks. The CG will be monitored as well by verification of load distribution between all four (4) blocks. All four (4) main hoist blocks will be lifted in synch at this time. At any time if the CG is seen to shift lifting operations will be halted and the four (4) main hoist blocks will be repositioned individually to

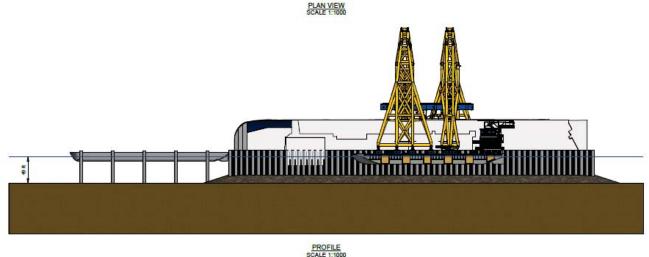
adjust the CG to a favorable position. The lift will be completed in this manner until the hull section is clear of the water.

At this time the VB-10,000 shall position away from the remainder of the hull. The designated 300 x100 deck barge will be positioned in between the VB-10,000 hulls by tug boats and secured with the eight (8) 40-ton mooring winches fitted on the VB-10,000. The tug boats or dynamic positioning will then position away from the barge as directed. And transportation barge will be positioned under the hull section with the 40-ton mooring lines such that the engineered sea fastening frame is in line with the hull, without making contact. The hull will be lowered to approximately 1-2ft clear of the material barge deck and then pulled into the sea fastening frame in order to capture the support guides that will stab inside the cut hull section, contacting the designated bulkheads. The hull section will then be lowered onto the deck of the barge until approximately 75% of the load has been secured to the barge. The hull section will be monitored for a period to allow for settling. The remainder of the load will then slowly be lowered onto the barge, while continually monitoring the hull section as it rests into the sea fastening frame and barge deck/grillage. With the hull section secured onto the barge and against the sea fastening frame the rigging will be disconnected.



EXAMPLE OF LIFTING STERN SECTION



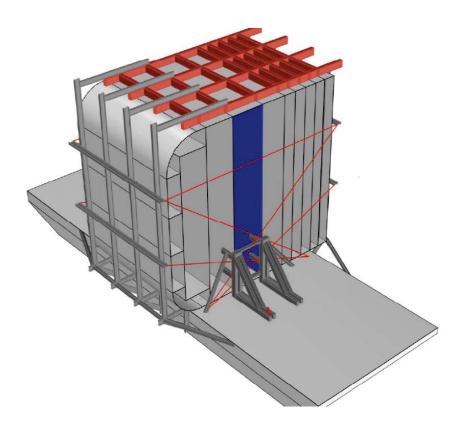


TRANSPORT

With the rigging disconnected from the hull section the transportation barge will be positioned to the stern (or bow depending on the hull section) of the VB-10,000, allowing for clear access to the hull for the installation of the remaining sea fastening frames. A crane barge will position adjacent to the transportation barge and position the second (opposing end) sea fastening frame against and into the hull section.

Note that the engineered sea fastening frames serve two (2) primary functions. First, the frames internal supports/guides capture the bulkhead framing inside the hull sections. This is designed to provide strength and prevent collapsing of the hull when secured to the transportation barge. Second, the sea fastening frames provide a safe and effective sea fastening method to secure the hull for transport to the disposal facility.

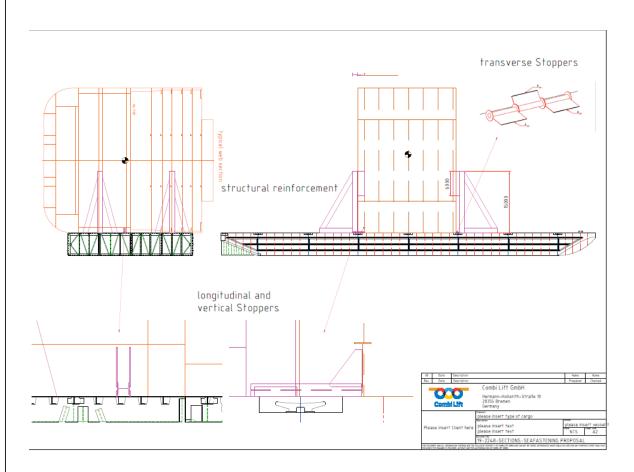




EXAMPLE OF SECTION LOADED ON BARGE WITH SEAFASTENING

With the hull section secured onto the transportation barge and captured within the sea fastening frames the crane barge will position away from the VB-10,000. The transportation barge will be removed from the VB-10,000 with the assistance of the support tugs and then transported/towed to the disposal facility. An initial assessment of barge stability and deadweight capacity has been made and found to be well within acceptable margins. An initial transportation analysis evaluating vessel motions and dynamic loading of the sections has been completed and will be attached as an appendix to this document.





The barges pre-identified for the transportation phase are 300 x 100-foot US flag deck barges with an average cargo carrying capacity of 9800 long tons. Each section will be sea-fastened with structural steel and the barges will then be towed to MARS Recycling in Gibson, Louisiana. The transit will take approximately 9 to 11 days depending on sea conditions. A tow plan and weather routing will be prepared prior to departing the site. The barges will be outfitted with pollution containment that will be described in greater detail in the Pollution Control section of this plan.



RECYCLING

T&T has evaluated various options to manage the safe and compliant recycling of the wreckage. Given the size of the vessel and the large number of vehicles that will require processing, it has been concluded the best suitable facility to handle the process is Modern American Recycling Services (MARS). MARS has an extensive proven record of dismantling and recycling of large vessels, platforms and other large marine structures.

The MARS facility in Gibson, Louisiana is an 80-acre site with deep water access. MARS owns the land and wharfage allowing the delivery of large hull sections without double handling or pre-processing which thus avoiding any additional environmental risk. The facility is fully outfitted with high capacity both floating and land-based cranes with a combined capacity in excess 3,500 metric tons. In addition, MARS shoreside processing plant has a wide array of scrap handling equipment including hydraulic shears, magnets, grapples, claws as well as a 1000-ton hydraulic shear.

Prior to commencement of recycling operations, a detailed recycling plan identifying the following parameters will be prepared and submitted to the Unified Command and the vessel's underwriters:

- Safety and environmental measures
- Heavy lift handling procedures
- Solid and liquid waste classification and documentation process
- Vehicle dismantling and destruction process
- Waste stream management
- Compliance with State and Federal regulatory requirements







MARS Recycling Lay-By mooring area



Prior to departing the site, a draft survey of the barge will be carried out and detailed photographs and video of the specific hull section will be collected to assist the recycling team in order to expedite the yard's readiness to receive the section. T&T's recycling consultant will then proceed to the MARS facility at least 5 days prior to assist with the pre-arrival preparations.

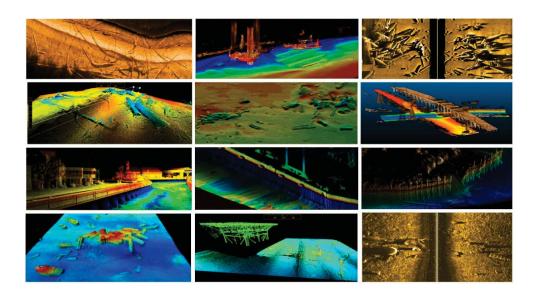
Upon arrival at MARS Recycling facility, all necessary safety and environmental control measures will be implemented, and portable equipment will then proceed to remove the vehicles and cut steel sections to reduce the weight to approximately 2,000 tons. The remaining section will then be lifted out of the barge and landed ashore by using MARS heavy lift cranes. The cargo will be disposed of in accordance with instructions from owners and underwriters.

Based on the available information, it is estimated that each hull section and its cargo will be offloaded from the deck barge in approximately 8-10 working days.

HYDROGRAPHIC SURVEY

In order to identify and locate debris from the wreck for recovery, T&T will deploy its Hydrographic survey team. The goal of this portion of the project is to create a 3D model of the entire survey area which has enough resolution to detect, and accurately measure, any debris or foreign material protruding above the mudline. Once anomalies have been identified with the survey data, they will be marked with marker buoys. The debris removal teams can then recover the identified items for proper disposal.

T&T owns and operates a fleet of rapid deployment inshore survey vessels which have been designed specifically to conduct highly detailed 3D surveys of the above and below surface conditions of coastal waters and inland waterways. T&T survey vessels are permanently fitted with the very latest underwater survey and inspection systems, together with modern mobile laser scanning systems (LiDAR), which can collect 3D data of beaches and coastlines from the survey vessel. Industry standard Real Time Kinematic ("RTK") positioning techniques will be employed throughout the survey operations to ensure that survey grade accuracies are achieved.



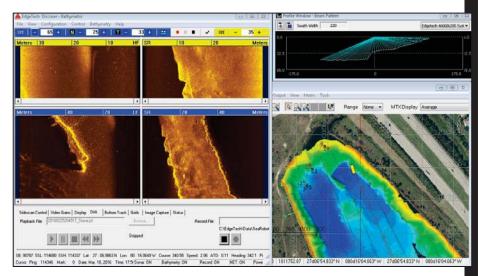
Survey personnel proposed for this project are some of the most qualified and experienced surveyors, hydrographers and engineers in the industry. The proposed team have successfully completed many similar projects and come with an exemplary safety record.

The survey methodology proposed will provide the following high-quality survey deliverables:

- 3D Multibeam Echosounder scan of the below the surface conditions
- Contoured Bathymetry charts
- Side Scan Sonar Mosaic of the entire survey area
- Accurate Position and Description of any seabed debris or anomalies
- Detailed Survey Report including Survey Methodology
- All raw data

The personnel proposed for the project are permanent employees or partners of T&T Braveheart LLC and the survey vessel and equipment proposed are wholly owned and maintained by T&T.

T&T will use the Edgetech 6205 or similar which is a fully integrated swath bathymetry and dual frequency side scan sonar system, designed for shallow water operation. The Edgetech



6205 produces real time, high resolution, three dimensional maps of the seafloor while providing an enhanced and fully integrated swath bathymetry and dual frequency side scan sonar system.

The 6205 uses Edgetech's unique Multi Phase Echo Sounder (MPES) technology, or hybrid approach, to overcome the limitations of Multi Beam Echo Sounders (MBES) and Interferometric systems in shallow water by combining both beamforming and phase discrimination to determine each sounding along the seafloor. The 6205 also incorporates Edgetech's Full Spectrum® technology to exceed IHO SP44, NOAA and USACE specifications for feature detection and bathymetric point data uncertainty. The Edgetech 6205 has the following advanced features:

- Next Generation Edgetech Bathymetric technology
- Multi-Phase Echo Sounder (MPES)
- 12 times water depth swath coverage in shallow water
- Co-registered dual frequency side scan and bathymetry
- Improved Depth Performance
- Superior Multipath and surface reflection suppression
- IHO SP-44 Special Order compliance with proven results
- Over 200° view angle with no nadir gap

DEBRIS REMOVAL

Results of the survey will be used to chart the debris to assist in finding objects on the bottom. Marker buoys will be placed at each piece of debris. This will enable crane barges to pick up any debris related to the wreck from the bottom with grabs and/or magnets and load it into hopper barges for disposal.



FINAL SURVEY AND BARRIER REMOVAL

Once the debris removal operation is complete, another hydrographic survey will be conducted to ensure the bottom is free of debris originating from the wreck before the containment barrier is removed. Any additional debris discovered during this survey will then be recovered for subsequent disposal.

CONTINGENCY

Although current engineering models do not show that the wreck is likely to structurally fail the wreck removal team will have key assets as part of the spread that would be used in small section demolition. The team would be able to quickly transition to small section demolition should condition warrant. The most stable sections are the bow and stern sections which comprise of nearly 1/3rd of the vessel. Removal of these sections would greatly reduce the amount of the wreck onsite as within two lifts a significant portion can be removed.

**

In a scenario where a partial structural failure of the midship section occurs, this methodology offers several advantages over small section demolition from the beginning. As the bow and stern sections' integrity is not in question, their removal would dispose of some 7160 tons of ship and cargo in two lifts using VB-10,000. If the lift frames are installed and intact, VB-10,000 can lift the midship sections from the water even if damaged. If additional failure results, a very large percentage of the hull structure and cargo remaining in its lashings will still lift with the section. These partial sections will be set down very carefully and slowly on barges to minimize risk of collapse into the water, damage to equipment, or injury to personnel. An assessment will be made to decide whether to sea-fasten damaged structure in place or piecemeal it on the barge before transport. Piecemeal removal of the remaining structure and cargo in the water can then commence using shears and underwater burning to separate the structure into manageable pieces and magnets, grabs, and rigging to lift the cars and structure out of the

protection barrier and into hopper barges for disposal. The assets on site for the planned lifting operation will have the capability to support this work. Shears, grabs, underwater cutting equipment, and magnets will be mobilized as part of the initial response to prepare for this possibility. Additional crane assets and barges have been identified in case they are needed to better manage a contingency.

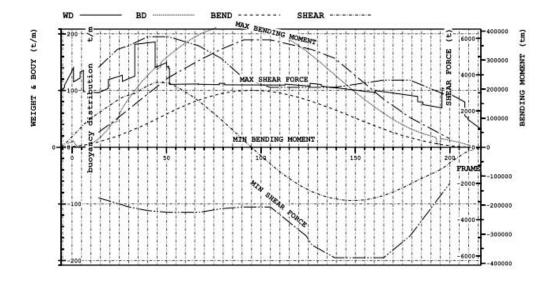
TECHNICAL CONSIDERATIONS

Cutline Determination

The location of each cut line is based on an estimated combined weight of the lightship distribution and the cargo stowage plan as provided to T&T. Consideration of the VB-10,000 allowable load of 7500 mt with a safety margin was made to decide on an



approximate 4,000 mt section weight. Estimated rigging weight is 1500 mt. The safety margin of 2000 mt / 50% will account for any trapped water or sediment that does not drain when the sections are lifted.





CARGO WEIGH	T DISTRIBUTIO	<u>N</u>			
Deck	Weight	From Frame	To Frame	Frames	Weight/frame
	mt				mt/frame
1	174	71	146	75	2.3200
2	175	71	146	75	2.3333
3	494	53	165	112	4.4107
4	539	53	165	112	4.8125
5	42	5	50	45	0.5333
5	595	52	185	133	4.4737
6	667	5	198	193	3.4560
7	522	15	192	177	2.9492
8	859	1	210	209	4.1101
9	1020	1	210	209	4.8804
10	1018	1	210	209	4.8708
11	953	1	210	209	4.5598
12	806	1	210	209	3.8565
13	746	8	203	195	3.8256
Correction	340	5	198	193	1.7617
Total	8950				

The tabular lightship weight distribution Excel file and cargo manifest provided to T&T were used to calculate the weight of the sections in the following cutline diagram. This diagram is available as a full page as an appendix to this document.

Hull Section Strength Evaluation

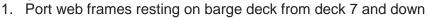
Due to the nature of the vessel's construction, the parallel midbody sections are the weakest sections. A typical parallel midbody section has been modelled in the static linear finite element analysis (FEA) program ANSYS. The analysis results have been attached to this report.

The lift frame is modelled to simulate the structural integrity of the section strength condition during lifting off the seabed and transportation on deck barges.

For the lifting scenario, two cases have been taken into account:

- 1. Port web frame above/at deck 7 is hinged/buckled
- 2. Port web frame above/at deck 7 is not hinged/buckled

For the transportation scenario, 2m/s2 of acceleration for both horizontal directions has been applied to take into account roll and pitch during transit. Motion analysis will be carried out to examine the real acceleration magnitude for each particular barge in a later stage when time allows. In order to simulate the condition that the port side superstructure has been compromised under current condition, the following cases have been considered:

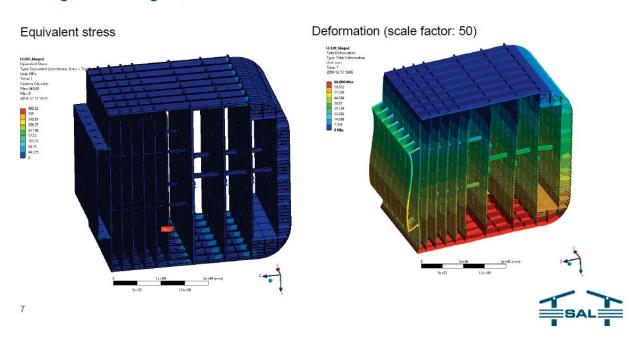


- 2. Port web frame resting on barge deck from deck 9 and down
- 3. Port web frame resting on barge deck from deck 11 and down
- 4. Port web frame resting on barge deck from deck 13 and down

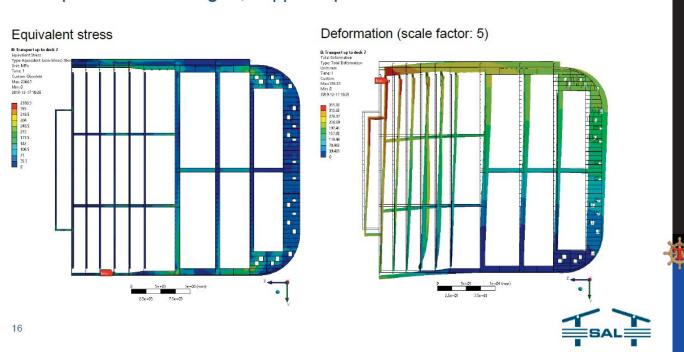
From the FEA results, the whole section structure maintains the structural integrity with acceptable stress and deformation levels during lifting.

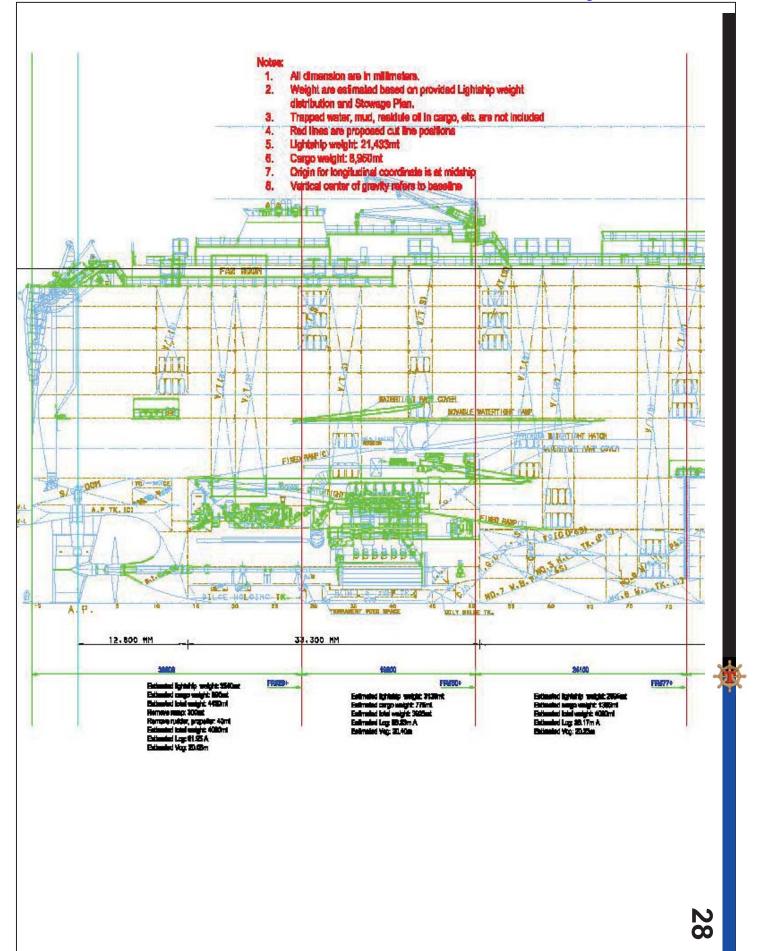
The FEA results from the sea transport cases show that the section structure maintains the structure integrality with local high stress level on port web frames while the deformation level is acceptable. In case the structure on the port side fails from the local high stress level, support dunnage structure will be placed under the superstructure at the relative areas to hold the structure in position on deck barge.

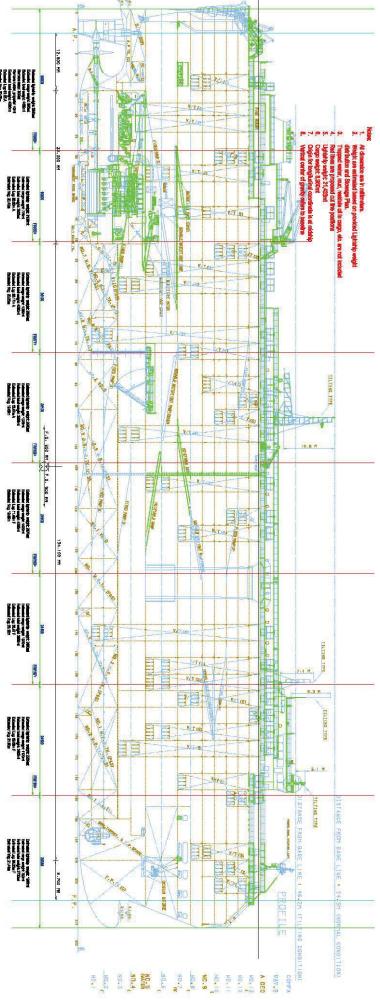
Lifting case: hinged, Results



Transport case not hinged, support up to deck 7: Results



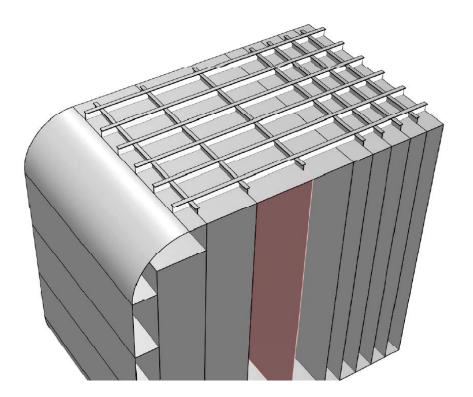




Lifting frame design

The engineering team considered several options to support and lift sections of the wreck safely. Based on our preliminary evaluation, the midship sections are likely to require structural support after cutting. Because of this possibility and the forces required to lift the sections, a preliminary design of a lifting frame was completed that spreads the loads into the structure and stiffens the sideshell panel to prevent collapse of the unsupported upper decks. The lifting frame is designed so that each beam is welded to the continuous deck structure and web frames below the shell plate to spread the load off the side shell and into the entire vessel structure. Ongoing FEA analysis has resulted in optimized rigging and lifting frame designs which will be finalized during the detail design phase to commence upon contract award.

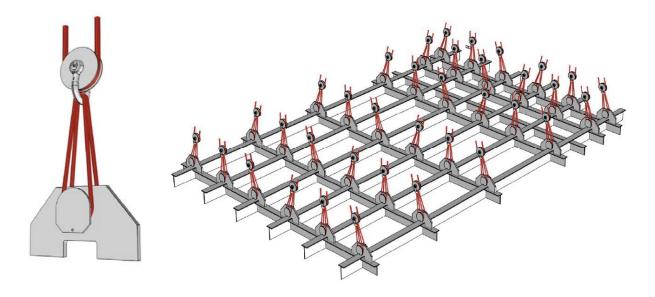
Each frame is expected to weigh between 100 and 150 mt depending on the final design. A 3D depiction of the preliminary design is shown below:

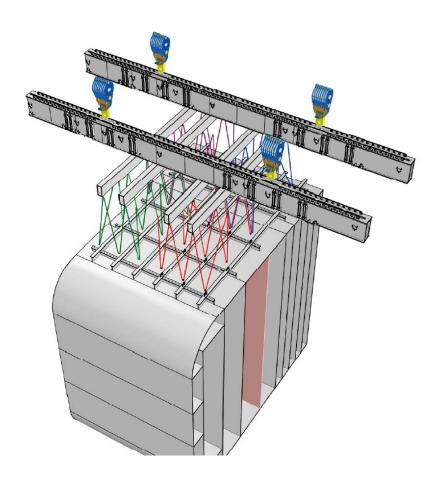




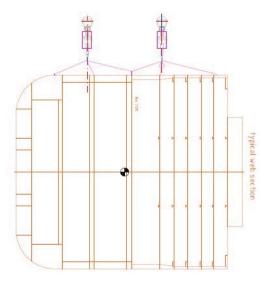
Rigging Design

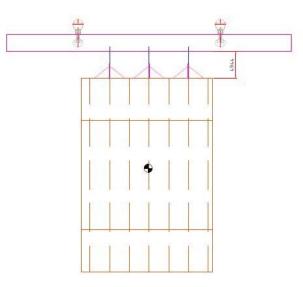
Equalized rigging systems for each of the four blocks on VB-10,000 will be attached to many lifting points on the lifting frames described previously. Roller shackles with bearings will equalize loads to all the rigging points to avoid overloading individual points. An industry standard safety factor will be applied to the final rigging design. Dyneema rope with a minimum breaking force of approximately 200 mt will be used in the rigging to minimize weight, reduce time in handling, and drastically reduce personnel safety risks when compared to conventional steel wire rope.





An alternative rigging design has been prepared to reduce the rigging height and allow the sections to be lifted far enough from the water to allow VB-10,000 to shift over any environmental protection barrier and onto the prepared deck barges. A preliminary representation of this design is shown below.





KEY ASSETS

Shoreside Team

Project Manager	2
Naval Architect and engineering	4
Salvage Master ICP	1
Operations Support	4
ICS Support Officer	5
OSRO liaison ICP	1
Logistics	6
Finance	4

On-Site Team

Salvage Master	2
Assistant Salvage Master	2
Salvage Officer	2
OSRO Liaison	1
Barge Foreman	4
Salvage Technician	5
Safety Officer	3
Engineer / Mechanic	3
Riggers	12
Riggers Team 2	10
Welders / Multi	16
Welders	16
Crane Operator	4
Dive Team x1	5
Dive Superintendent	1
Hydrographic Survey team	3



Preliminary Key Floating Resources – Subject to change

VB-10,000	1
Crane barge w/ tug	2
Lift boat	2
Deck barge w/ tug (transport)	1
Hopper barge w/ tug	2
Deck Barge w/ tug	8
OSV / Accommodation vessel	1
HDD Rig	2
Wreck grab	1
Heavy Rigging	1
Chain – 21 Shots	1
Excavator	1
Fall protection / scaffolding	1
Crane mats	9
Mooring Spread	1
External engineering support	1



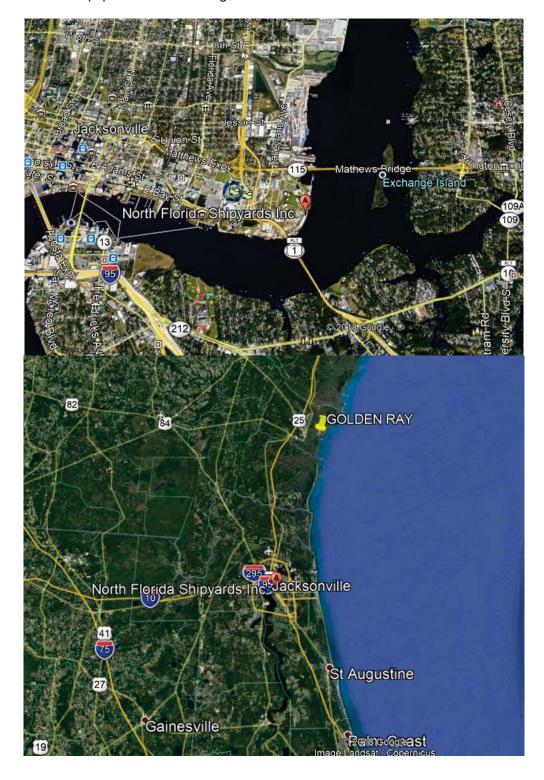
Key Portable Equipment

Portable Oil Skimmer	2
Hydrographic survey boat	1
Welding machine	16
Scrap Magnet	1
Oxyacetylene cutting rigs	8
Air compressors – 250 CFM	4
Generators – 250 KW	3
Fire Pumps	2
Dewatering pumps	6
Diaphragm pumps	6
Light Towers – 4000W	10
VHF Radios	30
Dive Spread	1
Work Boat - RIB	2
Underwater cutting package	1
Air lift	1
Jetting Package	1
Tool Package	3
Tote tanks	8
Trash pumps	6
Winch	2
Air monitoring	50
SCBA	8
Crew transport boat with crew	1
Fire Control Package	1



Staging Area

North Florida Shipyards in Jacksonville, Florida has been identified as a potential staging area for onloading shore-based equipment onto floating assets.





PROJECTED TIMELINE

The timeline is highly dependent on the availability of key resources. T&T has confirmed the availability of multiple providers of floating assets and critical services to ensure adherence to the proposed timeline. These confirmation letters are attached as an appendix.

See attached PDF Appendix – Project Timeline



SAFETY

HEALTH, SAFETY, AND ENVIRONMENTAL (HSE) MANAGEMENT

1 <u>Introduction</u>

T&T SALVAGE's primary objective will be to perform the scope of work described by this method statement in such a way as to ensure that all life, health and environmental risks are minimized. A detailed Site Specific HSE plan will be prepared upon contract signing and submitted to the Unified Command for approval.

This plan will be designed for use as a tool for achieving the following HSE goals:

- To promote personal hygiene and health
- To provide and promote a safe working environment
- To prevent injury and related losses
- To prevent loss of, or damage to property
- To provide proper training and supervision for all employees
- To understand and protect the environment
- To achieve "NIL lost time accidents (LTA)" on the project

A supporting risk analysis will be undertaken prior to commencing any critical operational task of the project. Based on this analysis, mitigation controls will be communicated, implemented and reinforced at all levels of the organization through:

•

- On Site Toolbox meetings
- Site safety plans (HASPs)
- Risk assessments (JSA's)
- New hire & visitor orientations
- Required use of appropriate personal protection equipment (PPE)

2. References

- T&T Salvage Safety Management System 2019
- OSHA Regulations and Guidelines

3. Responsibilities

Project Manager

The Project Manager is responsible for establishing the Project Health, Safety and Environmental objectives and ensures that sufficient resources are provided to meet them.



Salvage Master

The Salvage Master is responsible for monitoring all project activities to ensure that they are executed in accordance with the requirement of the Project HSE plan objectives.

Site Safety Officer

The Site Safety Officer (SSO) is responsible for preparing and managing the Site Safety Plan and enforcing compliance with all prevention and mitigation activities.

Project Team

The Project Team is responsible to the project for ensuring that full account is taken of the requirements of the project's Health, Safety and Environmental plan when preparing procedures for the project.

They shall pay particular attention at the design and planning stage to ensure that hazards are correctly assessed and that the final project procedures minimise the risk to personnel, equipment, and the environment.

Vessel Masters

Support vessel Masters are individually responsible for the safety of their vessels and crews as established by USCG regulations and company safety regime. In addition, they will be required to comply the applicable requirements of the Site Safety Plan and shall be responsible for the implementation of all applicable requirements on board their vessels.

• Other employees and Subcontractors

Other employees and Subcontractors have a responsibility to ensure that their actions do not jeopardise the safety of themselves and others, and that all safety and environmental regulations and guidelines are adhered to.

5. Scope of HSE Site Specific Plan

The approved Site Specific HSE Plan shall be considered the controlling HSE management document during the execution of the wreck removal operation.

The key HSE management phases identified for this purpose are as stated below:

- Develop procedures for the project
- Identify and interface with subcontractors
- Execute operation

Where required, subcontractors shall develop specific HSE sub-plans designed to support their specific scope.

The HSE plan requires several outputs to be delivered and outlined which can be described by the flowchart shown below.

The flowchart illustrates the main issues that shall be addressed to ensure that a formal HSE regime is established between T&T Salvage and Subcontractors and the T&T Salvage and the Unified Command.

	Communication interfaces	Develop Interface Procedures With Company And Subcontractors	Define communicati ons interface		Unified Command
Project	Training standards		Define training programs	Interface	Onlined Command
HSE Management	Emergency response		Define Emergency Response Procedures and Bridging Documents	Safety Management Systems	Subcontractors
	Risk management		HAZID and HAZOP identification.		Worksite

6. Key Project HSE Parameters

a. Communications

Internal and external communication will be conducted in a receptive open way to encourage the exchange of relevant information to all parties involved in the project.

b. <u>Competence</u>

All personnel employed on the project shall be selected for the project team based on submission of CV's and assessment of qualifications.

c. <u>Emergency Response</u>

Response procedures to address personnel injuries, vessel casualties, weather emergencies among others shall be developed for the project.

Bridging documents/protocols addressing Emergency Response shall be developed between T&T Salvage and their Subcontractors and between T&T Salvage and the Unified Command.

d. Risk Management

Risk Assessment

The Company's project team will identify, assess and document all hazards associated with execution of the project.

For those hazards that cannot be eliminated, the Companies will endeavour to keep such risks As Low As Reasonably Possible (ALARP).

If an identified risk requires additional training to eliminate such risk, a training program will be identified and provided.

The Project Manager/ Salvage Master shall be responsible for ensuring that a record of all identified risks is maintained, and those suitable remedial measures have been identified and implemented to mitigate or remove risks.

To ensure that risks are kept As Low As Reasonable Possible the following methods may be applied:

- Reference to safe practices and procedures
- Hazard identification
- Auditing and review

Hazard Management Objectives

Reduction of Hazards during positioning procedures design also recognising hazards arising from the other construction and commissioning activities.

Assessment of all hazards and demonstrating that risks to personnel will be As Low as Reasonably Possible during positioning and installation.

Demonstration of appropriate contingency provisions and procedural control.

Hazard Identification

A HAZOP will be carried out as required towards the overall project deliverables. Items identified during this process will be given a criticality rating as part of the assessment.

Individual documents and procedures are subject to internal review by the project team prior to their issue for construction.

Criticality assessment for operational activities will be carried out using conventional HAZID techniques.

Operational reviews (Preliminary and Final)

The operational reviews may identify areas where further risk assessments are required.

The extent and depth to which these assessments will need to be carried out will depend on the risk identified from the activity being assessed.

e. Project Team HSE requirements

The HSE requirements for the project team are to:

- Recognize potentially hazardous situations
- Minimise potentially hazardous situations
- Avoid personnel exposure to potential hazards
- Contain and minimise the effect of identified hazards
- To reduce to ALARP the risk from all identified hazards

f. Subcontractor Control

Subcontractors will be given the following goals:

- Commitment to safety performance
- No lost time injuries
- Active participation in safety initiatives
- Provide a positive safety contribution to the overall project

Where subcontractors provide a safety critical service or product, they may be subject to an audit prior to, during or after contract award.

Subcontractors will be required to provide a HSE plan covering their scope of work.

The subcontractor HSE plan should as a minimum address the following elements:

- Scope
- Objective
- Organization
- Summary Responsibilities
- Management of subcontractors
- Engineering and performance standards
- Project risk assessment
- Safe operational procedures
- Training and Competence
- Accident reporting and investigation
- Audit program
- Emergency response and preparedness

Subcontractors that provide safety critical services will be required to carry out risk assessment on their scope work of work and participate in risk assessments carried out towards the overall project and generally contribute to the continual improvement of the project safety.



Subcontractors that provide third party equipment will be required to demonstrate that they have adequate control measures in place to ensure that the equipment is fit for purpose and that planned maintenance and spares are in place.

i. Incident Management

T&T's Project Manager/Salvage Master is responsible for investigating and reporting to Unified Command any incidents that may occur during the execution of the project.

Subcontractors employed by T&T are similarly required to report and investigate any incidents that may occur during their employment with the T&T.

Any incident that may occur shall be reported to the Unified Command by the next calendar day and to local authorities if required.

If medical care is provided shall ensure that such medical care is adequate and ensure follow up care and notification to next of kin.

T&T's Project Manager/Salvage Master shall upon completion of investigation into any incident communicate the findings to on-site personnel and the Unified Command.

The Project Manager/Salvage Master shall ensure that immediate measures are put in place to prevent reoccurrence of similar incidents.



AIR SPACE

T&T has already begun the permitting process with the FAA. The team has submitted a Notice of Proposed Construction or Alteration Off Airport under aeronautical study number ASN 2019-ASO-37226-OE. The VB10,000 is outfitted with all proper lighting as required by aviation regulations. A 2C survey will be completed recommended by the FAA so they can issue the authorization and outline any potential impact to air traffic. The FAA agreed to expedite the process given the importance of the project.





PRELIMINARY RISK ASSESSMENT FOR THE PLANNED OPERATIONS

As with any major wreck removal operation there are inherent risks related to this project. These risks will be mitigated with planned approaches to achieve the desired objectives and ensure compliance with local regulatory requirements.

T&T Salvage has conducted a preliminary risk identification as outlined below and would be prepared to undertake a more developed process prior to commencement of the operation.

RISK	IMPACT ON PROJECT	MITIGATION STRATEGY
Weather/Sea	Adverse weather and sea conditions may cause time delays and adversely affect the condition of the wreck sections	Employ methods that do not rely heavily on subsea activity; Establish a weather monitoring service for the site and cross-reference with local weather sources and know-how;
Environmental Damage	The wreck is in an environmentally sensitive area	 Integrate expert environmental management and scientific team as required in support of the operation. The environment will be assessed and documented before, during and after performing any work. Document daily aerial photography Removal method of vessel's cargo will minimize further damage. Pollution control and waste disposal system will be established All work will be in conformance with MARPOL and local environmental guidelines
Safety	Operational	 A dedicated Safety Officer will be onsite Implement Site Safety Plan Overseeing all safety and health aspects of personnel Assuring that optimal safety and injury prevention is practiced Investigating and documenting all personnel injuries and illnesses Preparing and maintaining entry permits Ensuring that appropriate personal protective equipment (PPE) is used Developing and implementing daily health and safety plans which address (1) sanitation, (2) hygiene, (3) PPE, (4) Decontamination, (5) work/rest cycles, (6) acute medical care, etc. Interviewing off-going shifts to assess developing hazards Assessing risk for the identified hazards; and Training in hazard awareness and use of PPE Assessing structural instabilities and other exposures A dedicated Safety Officer will be onsite Implement Site Safety Plan Overseeing all safety and health aspects of personnel Assuring that optimal safety and injury prevention is practiced Investigating and documenting all personnel injuries and illnesses Preparing and maintaining entry permits Ensuring that appropriate personal protective equipment (PPE) is used Developing and implementing daily health and safety plans which address (1) sanitation, (2) hygiene, (3) PPE, (4) Decontamination, (5) work/rest cycles, (6) acute medical care, etc. Interviewing off-going shifts to assess developing hazards Assessing risk for the identified hazards; and Training in hazard awareness and use of PPE Assessing risk for the identified bazards; and Training in hazard awareness and use of PPE Assessing structural instabilities and other exposures

Breakdown of supply chain	The breakdown of critical equipment could cause critical time delays	 Mobilize redundancies of critical resources to site Mobilize resources to sustain continuous operations. Bring a large inventory of spare parts, consumables, tools, hardware, and supplies
Availability of Equipment	Job cannot be performed without key equipment. Lack of availability and operability will impact the schedule of operations.	All key equipment are confirmed to be fully operational and available. All key equipment are sourced and mobilized from the US.



POLLUTION CONTROL

This wreck removal operation will generate the following sources of environmental pollution:

- Hydrocarbon releases
- Debris
- Subsea noise

The risk of major oil pollution has been mitigated by the extraction activities carried out by the vessel owners and their designated contractors during the initial phase of the response. However, some residual hydrocarbons may still be trapped within the wreckage. In addition, it is expected the vehicles aboard the vessel still contain a small amount of gasoline or diesel fuel. Therefore, the potential spill scenario can be categorized as minor and controllable with an adequate spread of on-site oil spill containment and recovery resources. Solid debris and waste also represent a potential source of environmental pollution which will require close monitoring and response protocols. In addition, wreck removal operations typically generate a significant level of underwater noise and vibration which will require mitigation measures.

Removing the wreck in large sections has several advantages from the perspective of pollution control. Engineering Controls such as making a limited number of cuts that deliberately avoid bunker oil tanks as well as sectioning the vessel in a manner that prevents the need to remove many cars individually, will be employed to reduce the potential of inaccessible and un-pumpable hydrocarbons and other pollutants from impacting the waters surrounding the wreck removal site. In addition, an environmental protection barrier will also be utilized. This structure will provide a protective barrier along the seabed, throughout the water column and at surface level allowing for the retention and recovery of debris and other pollutants.

Second, the timeline proposed will lessen the exposure of the wreck to the physical environmental conditions thus reducing the pollution potential associated with a continued deterioration.

We recognize that stakeholder and trustee priorities are to mitigate the environmental impacts to the surrounding sensitive areas and propose that the pollution potential associated with this proposed tactical cutting method is negligible compared to a piecemeal demolition or an operation posing a high risk of catastrophic structural failure.



Options for Removal of Hydrocarbons that may remain in the Bunker Transfer Line

The following options have been prepared to address the concern of oil release from the bunker transfer line between the forward tanks to the engine room during cutting operations. Key considerations have been:

- No confined space diving
- Access to piping system in dry areas
- Minimizing release of residuals

Option 1, making entry from above and flushing from one end, does not involve hot work, but involves confined space entry. Option 2, cutting a window in the bottom plating, opens the work area to atmosphere directly but involves hot work. Option 3, cutting the pipe with chain and plugging or sealing with solidifying agent after lifting does not involve confined space entry or burning work, but has the greatest risk of release.

Option 1. Make entry and flush from one end

- Team makes entry from vent trunk with pump discharge hose, air hose, pressure washer hose, and power cable. Carried equipment and material includes wrenches, pressure washer wand, plastic diaphragm pump, plastic sheeting, powered plumbing snake, and containment drum
- Team enters valve station for forward bunker tanks from above
- Valves in bunker transfer lines removed
- Pressure washer hose-snake combo inserted into pipe with hot water or detergent or both selected on pressure washer
- Heat or detergent from water and mechanical action of snake will break up and soften viscous
 oil. Displacing oil with water spray behind it will force oil out the open end of the pipe, into
 containment set up using plastic sheeting and containment drum
- Oil-water mixture will be pumped outside to containment tanks using plastic diaphragm pump
- If the hose cannot be pushed further down the pipe, a solidifying agent will be blown through it with compressed air as it is withdrawn

Option 2. Cut window and flush from one end

- After determining the exact location on the bottom plate, an access hole will be cut through the bottom structure into the valve station for the bunker oil valves
- A team will make entry with pump discharge hose, air hose, pressure washer hose, and power cable. Carried equipment and material includes wrenches, pressure washer wand, plastic diaphragm pump, plastic sheeting, powered plumbing snake, and containment drum
- Team enters forward dry end of pipe trunk at location of manifold for forward bunker tanks from above
- Valves in bunker transfer line removed
- Pressure washer hose-snake combo inserted into pipe with hot water or detergent or both selected on pressure washer
- Heat or detergent from water and mechanical action of snake will break up and soften viscous
 oil. Displacing oil with water spray behind it will force oil out the open end of the pipe, into
 containment set up using plastic sheeting and containment drum
- Oil-water mixture will be pumped outside to containment tanks using plastic diaphragm pump
- If the hose cannot be pushed further down the pipe, a solidifying agent will be blown through it with compressed air as it is withdrawn
- After completion of the operation, an engineered structure will be welded over the access hole to account for lost strength in the material removed for the cutting operation if necessary



Option 3. Plugging or sealing cut ends

- Cutting and lifting operations continue without making entry to flush the line
- When cut ends are exposed on remaining hull section, they will be plugged or sealed by divers after the lifted section is clear of the area
- Exposed cut ends on the removed section will be sealed with conventional plugs or a solidifying agent once they are set on the barge

HYDROCARBON AND DEBRIS CONTROL

T&T is a USCG classified Oil Spill Response Organization (OSRO) with extensive experience and organic capability in spill and hazmat response operations in support of major salvage and wreck removal operations. In coordination, with the vessel's P&I Club technical representatives and the Unified Command, T&T would establish environmental protection objectives and develop spill control strategies to support wreck removal operations. All pollution prevention and response strategies will be developed in accordance with the USCG - MSU Savannah Area Contingency Plan and the guidance promulgated by the Unified Command.

The T&T Advance Team deployed to the Incident Command Post will ensure that the proposed protection plan and supporting technical data are provided to the Environmental Unit Leader and that all vessel operators assigned to area are provided with direct guidance on response requirements. Based on the above, prior to commencement of on-site operations, a pollution control plan designed to contain and handle on-site releases of hydrocarbons, solid waste and debris will be prepared and submitted to the Unified Command and the P&I Club for review and approval.

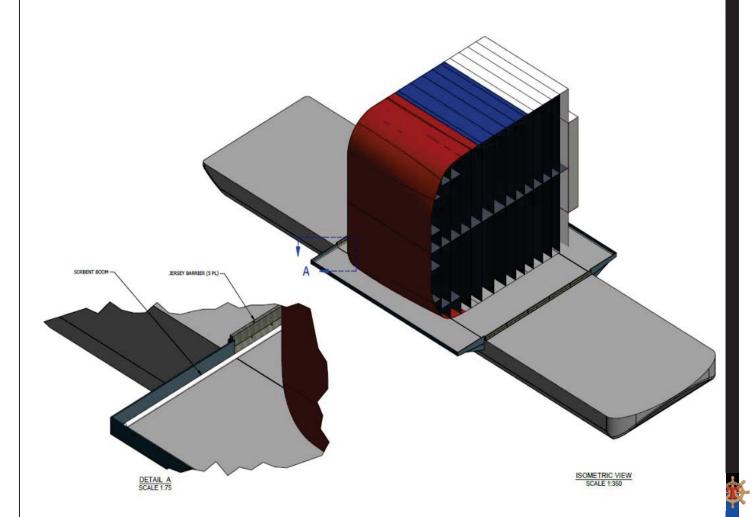
At a minimum this Plan will address the following:

- Prevention, Mitigation and Response Objectives
- Key Personnel Assignments (Pollution Control Officer)
- Duties and Responsibilities
- Dedicated Assets and Resources
- Coordination and Bridging Protocols with Unified Command
- Coordination and Bridging Protocols with attending OSRO
- Subcontractor and Support Vessel Oversight
- Plan Activation Procedures
- Source Control and Recovery Procedures
- Waste Collection and Disposal
- Documentation



CONTAINMENT SYSTEM ON BARGES

Each section of the wreck will be positioned onto a barge within a spill containment barrier to prevent residual pollutants from impacting the water during transit to the recycling facility. This containment system will also be adequately lined with absorbents to be monitored and maintained daily. As an additional contingency, a residual collection rail around the edge of the barge will collect run-off from the deck, where it can be pumped into ISO tanks for proper disposal.



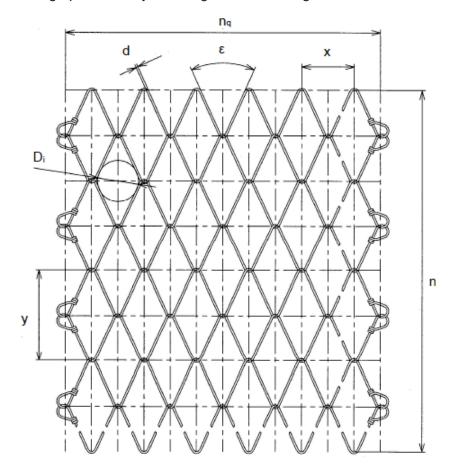
SECURING DEBRIS ON CUT ENDS

Several options were considered to prevent cars and other debris from falling out of the sections as they are lifted and secured on the barges and during transit. These options include:

- Erosion control mesh
- Gorilla net used in offshore construction
- Chain link fence reinforced with steel cable

Whichever material option is selected based on effectiveness and ease of installation, the net material will be draped from the top of the cut sections to the bottom and secured on all four edges and possibly on intermediate structure. This netting will prevent the escape of cars and debris larger than the mesh size.

Should it be deemed necessary, the open end of the remaining hull section could be closed with netting during subsequent cutting operations by securing the bottom edges of the net with divers.





NOISE and LIGHT MITIGATION

Several strategies are being used to mitigation noise pollution during the wreck removal operations. In order to reduce the duration of the project T&T would propose many of the operations be performed on a 24/7 basis.

Additional safety and pollution mitigation strategies will be employed to support night operation and minimize the noise and light impact on marine life.

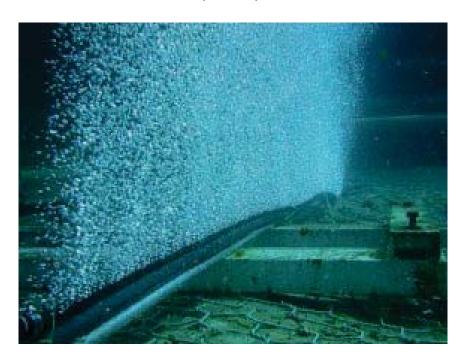
- Chain cutting operations will produce some surface and subsurface noise however these operations will only occur during a period lasting approximately seven (7) days. This has a large benefit over small section demolition which would require continuous use of a chisel which generates continuous high impact noise over an extended period of time.
- During welding operations T&T can look to mitigate light pollution by building a ventilated habitat for welding to take place.



SUBSEA AIR BUBBLE BARRIER

T&T plans to install a subsea air bubble barrier around the wreck which will be effective in attenuating noise and propagating shock waves, as well as debris and subsea oil pollution thus maximizing protection for marine life and the environment. This technology has been researched and used extensively and has yielded proven results against underwater noise and other types of pollution.

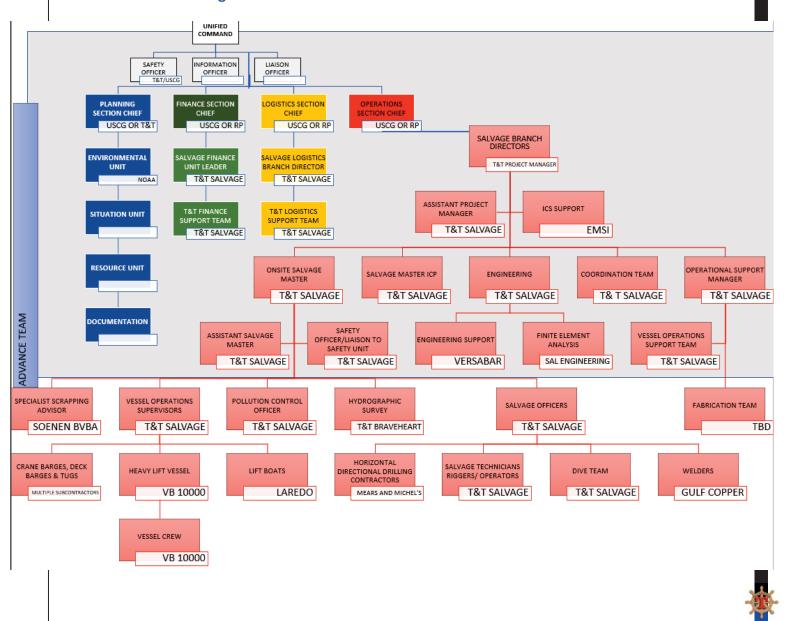
A total of (2) to four (4) diesel driven air compressors would be utilized to deliver the necessary continuous volume of air to meet the barrier's optimum parameters.



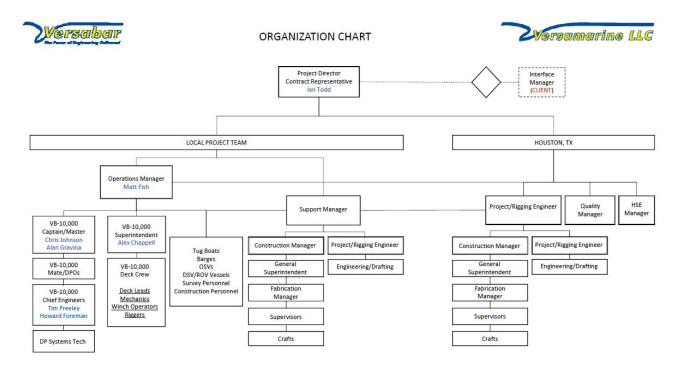


PROJECT MANAGEMENT

PRELIMINARY T&T Organization Chart



Versabar Organization Chart



COMMUNICATIONS AND INCIDENT COMMAND SYSTEM

Prior to commencement of on-site operations, T&T Salvage's Project Manager will issue a Communications Plan. This plan will address both internal and external communications and information requirements outlined in the invitation to tender. Information management and accurate reporting are critical during major salvage and oil removal operations. T&T Salvage has the experience and capabilities to establish the necessary framework and protocol. The Site-Specific Safety Plan will include a comprehensive list of emergency contacts to ensure an immediate and effective response to any on-site incident.

T&T Salvage personnel have extensive training and experience using the Incident Command System (ICS) and operating within the requirements of a Joint Information Center. T&T has personnel with position-specific certifications up to Type 1 IC, PSC, and OSC plus former COTPs and FOSCs. We have extensive experience working inside the Incident Command System To meet all project communications requirements, T&T Salvage will provide regular operational updates throughout the day and night. Formal daily reports will be prepared and submitted in addition to supporting the development of an Incident Action Plan as required by the Unified Command.

4

For field communications on the project site, all personnel and floating assets will be equipped with handheld VHF radios. Channel 16 is designated as a hailing and distress frequency, Channel 6 or another suitable channel will be designated for tug communications, and on-site project personnel will be provided a primary and secondary working frequency. Supervisors will have access to cell phones and data as a back-up to radio communications. Divers will have two-way communications to the surface and, should communications be lost, the diver will immediately return to the surface. A communications base will be placed on-site to facilitate daily reports being sent via internet to all necessary parties. Prior

commencing operations, communication equipment will be thoroughly tested to ensure that it is operable with local equipment and a good base of communications has been established.

The final communications plan will include a comprehensive radio and phone number list to ensure the client and local authorities are notified on a regular basis and immediately of any operational issues outside of planned activities. An emergency phone list will be included on the Safety Plan, to include all local hospitals, air ambulance service, hyperbaric treatment centers, regulatory agencies, and other relevant stakeholders

Within 24 hours of receiving a contract award, T&T will issue a Communications Plan defining objectives, roles and responsibilities with respect to information management across all levels of the on-site wreck removal organization. The Communications Plan will address:

Public Information Officer (PIO)
Internal Daily Reporting
Communications Flow Chart
Handling of Sensitive Information/Wreckage

Public Information Officer (PIO)

T&T Salvage recommends the mobilization of a well-trained, certified, and highly seasoned public information officer (PIO) to support and contribute to the management of public information in the Joint Information Center. The primary role of the T&T Salvage PIO would be to serve as an informational resource on salvage operations to the public affairs staff operating within the JIC.

Internal Daily Reporting

Upon commencement of mobilization activities, T&T Salvage will initiate the submittal of Salvage Master Daily Reports. The report will be prepared by the Salvage Master and submitted to the Project Manager. In turn, the Project Manager will, if necessary, request further review from the T&T public information officer (PIO), and then submit it to the attending P&I Club surveyor. The primary method of official on-site communication will be the Salvage Master Daily Report.



Attachment 8

St. Simons Sound Incident – Weekly Executive Summary Update (11 Feb 2020 – 17 Feb 2020)

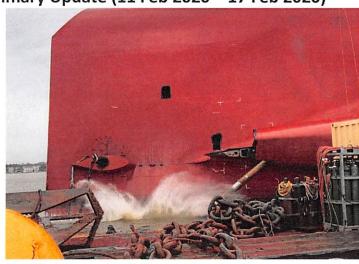
Phase	Removal / Containment Mobilization Phase, as of 15 Dec 2019.
Phase	Current Unified Command: FOSC: CDR Norm Witt/CDR Carolyn Moberley; SOSC: James Ragan/John Maddox; RPIC: Chris Graff
Salvage, Assessments & Surveys	 Stability: All three sensors are online at the time of this report. No significant changes in casualty conditions and vessel remains steady in its current position. Preparations for scour mitigation continue. Anticipated deployment and placement of 40 foot containers to begin later this week. Messenger wire placement operations continued this past week; 3 wires placed, remaining will be placed via directional drilling. Pad-eye construction for "cutting chain" tiebacks conducted throughout the week. Cutting chain delivery completed and planning for chain installment moving forward which includes directional drilling operations. 1st cutting chain installed toward stern of vessel on 17 Feb 2020, using messenger wire. Shaft removal completed 16 Feb 2020.
Operations	 GMS operations personnel continue to closely liaise with T&T Salvage; working together on plans for transition to Phase 5. Each new component of the plan is reviewed by all levels of UC. OSC met with Brunswick City Engineer and Public Works Director to plan for continued operations at Sidney Lanier Park during scheduled upgrades. Anticipating possible extension of operational periods and associated right-sizing of staff.
Environmental	 Environmental Monitoring Group, comprised of Natural Resource Advisors (NRA) and Passive Acoustic Monitors (PAM), arrived on site on 17 Feb 2020. Conducted in brief, training, and provided tour. They are developing reporting protocols to implement once EPB construction commences. No new shoreline oiling observed and no wildlife impacts reported. SCAT surveys were performed on 3 segments. All SCAT shoreline segments are defined as either Stage 1: No Oil Observed or Stage 3: Monitoring (no active treatment); regular monitoring continues.
External Affairs/Outreach	 On 13 Feb 2020, an Open House was attended by 165 community members at the Brunswick Public Library. Subject matter experts were available to discuss ongoing response efforts and answer questions. Feedback was overall positive for both the event and response effort. Conducted outreach w/ local government officials and work with race organizers for the 15 Feb Bridge Run to ensure operations continued during community event DonJon-SMIT lawsuit against USCG made public 14 Feb 2020. D7 provided UC statement: "The Unified Command is aware of a lawsuit filed against the United States Coast Guard. All St. Simons Sound Incident response activities will continue as planned unless, or until, directed otherwise." Media interest is medium. Advertised Open House to be held 21 Feb 2020 at the St. Simons Island Light House Museum from 1630 – 1830.
Key Information	 Environmental Protection Barrier Progress (EPB): Anticipate commencing pile driving on 20 Feb 2020, once piles and additional equipment arrive. Lighting configuration: Lighting configuration for EPB approved (single white light on each grouping of piles). MTSRU: As of 18 Feb 2020, MTSRU is on site to assist with commercial vessel navigation during EPB construction. Phase 5 staffing assessment: Assessed staffing needs for Phase 5 and developed plan. Anticipate approximately 12 additional CG members (combination of NSF and Surge Staffing). Removal timeline: T&T informed the UC of a delay in fabrication of lifting lugs as well as the lifting rigging. The lugs are the limiting factor, due to availability of materials and yard capacity. T&T is actively seeking additional yards to speed up the fabrication of lifting lugs, but with current facilities, cutting is not expected to commence until the beginning of May.

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St. Simons Sound Incident – Weekly Executive Summary Update (11 Feb 2020 – 17 Feb 2020)



Shaft town line connected to CHEETAH



Shaft removed 16 Feb 2020



Shaft lifted and secured to deck of MOBRO 2008

Attachment 9



COMMANDER NORM C. WITT

Commanding Officer
U.S Coast Guard Marine Safety Unit Savannah

Commander Witt assumed command of Coast Guard Marine Safety Unit Savannah in June 2017. In this role, he leads over 200 active duty, reserve, auxiliary and civilian men and women to carry out a variety of statutory authorities as the Captain of the Port Savannah, Officer in Charge – Marine Inspections, Federal Maritime Security Coordinator, and Federal On-Scene Coordinator in the State of Georgia.

Commander Witt reported to Marine Safety Unit Savannah after serving as Maritime Advisor in the Republic of Liberia. In this capacity, he served as primary advisor on marine affairs and maritime security to Ministry of National Defense and Armed Forces of Liberia senior leadership, the Liberian Coast Guard, the U.S. Ambassador and the U.S. Senior Defense Official.

A native of Paris, Kentucky, Commander Witt graduated from the University of Tampa with a Bachelor of Science in Criminology. He earned his Coast Guard commission as an Ensign in 1999 after graduating from Officer Candidate School and was assigned to Coast Guard Cutter NORTHLAND, home ported in Portsmouth, Virginia. After an initial afloat tour, Commander Witt transitioned to the marine safety field and completed operational tours at Marine Safety Office Morgan City, Louisiana, and Sector Jacksonville, Florida. During these tours he filled a variety of roles, including Chief of Port Safety and Security Division in Morgan City, and Chief of Port State Control Division in Jacksonville. In 2009 Commander Witt reported to Coast Guard Headquarters Officer Personnel Management for a tour as an Assignment Officer before moving on to be Executive Officer at the Pacific Strike Team, Novato, California.

Prior to his Coast Guard career, Commander Witt served in the U.S. Army as a Military Intelligence Officer with the 82nd Airborne Division, Fort Bragg, North Carolina.

He has been awarded the Defense Meritorious Service Medal, two Coast Guard Meritorious Service Medals, two Coast Guard Commendation Medals, two Coast Guard Achievement Medals, and has earned the Marine Safety Insignia. His Army decorations include the Army Commendation Medal, the Army Achievement Medal, the Ranger Tab, and Senior Parachutist Badge.

Commander Witt is married to the former Theresa Nguyen of Savannah, Georgia, and they have three daughters, McKayla, Jamison, and Kinsley.