

The Ground Rules

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News from the Consulting Firm of

Martin, Ottaway, van Hemmen & Dolan, Inc.

Yachts

The members of the firm are all boaters.

Jim Dolan has a 20-foot runabout, David Tantrum owns a 17-foot runabout, Henk van Hemmen owns the firm's flag ship, a 21-foot Bayliner (we, because of the many technical problems, all are a little embarrassed about that one) and Rik van Hemmen owns at least two canoes (one a home built beauty, the other obtained as a wreck after being crushed by a tree and is presently being restored).

Why nothing fancier? Probably because we are already spending lots of time on much fancier stuff.

Besides fishing and sailing activities on friends' and clients' boats, today the firm's consultants are spending increasingly more time dealing with yachting issues as consultants. And we mean big yachts as large as 300 feet of length.

While the firm occasionally served clients on yachting issues in the past, in the last decade the boom in the large yacht industry and the addition of personnel in our office with specialized, professional yachting knowledge has made surveying yachts a significant portion of our regular work.

We assist owners, investors, underwriters, manufacturers, shipyards and attorneys on the issues that arise around the design, construction and operation of very large yachts and also with personal injury defense on smaller vessels.

We would love to share stories, but in the yachting industry discretion is requirement one. However, anytime you are in Newport, Fort Lauderdale or Antigua, chances are we have been involved in at least a few disputes related to the largest motor and sailing yachts in the harbor.

For assistance contact Rik van Hemmen or Wayne Thomas.

Abandoned Freighter Discharged

In November 1998, a Panamax bulk carrier was outbound in the Mississippi River fully laden with an aid cargo of wheat bound for Africa when she sustained an engine room fire, which resulted in loss of power and grounding. The vessel was towed to a berth in Belle Chasse, Louisiana, where the operator abandoned the vessel. The crew was eventually repatriated and replaced by a skeleton crew.

The cargo owners, through their attorneys, appointed Martin, Ottaway New Orleans to inspect the vessel. They found that the vessel had been neglected, notably its hatch covers and hydraulic equipment, and that the vessel's safety equipment was in poor condition.

Based in part on our findings, the cargo owners decided to discharge her after the cargo was sampled and analyzed to assess the feasibility of the transshipment.

Meanwhile, the vessel had been sold at a public auction. The propriety of this sale was successfully challenged in Court, in part on the basis of an appraisal by our New Jersey office.

Some time later during which the various parties concerned awaited the court decision and resale of the vessel a final decision was made by the cargo owners to discharge the cargo.

Martin, Ottaway, together with a local firm, organized and supervised the transfer

operation, which entailed manual operation of the hatch covers.

The vessel, however, could not be discharged at its current berth and had to be shifted to a discharge berth. This move was complicated by the fact that the vessel's main engine had not been tested since the engine room fire. The vessel, therefore, had to be towed.

Concurrently, the US District Court then appointed Martin, Ottaway as marine managers to organize and carry out this shifting of the vessel and to supervise the discharge of the cargo.

In the meantime, the vessel was sold at a second public auction to a firm whose successful bid was significantly more than offered at the first and subsequently annulled-action. This successful bid was just 7% below the value appraised for the vessel by our firm, Martin, Ottaway, van Hemmen & Dolan, Inc.

After carrying out needed repairs and arrangements, the much-awaited shifting was scheduled for April 14 to the Violet Docks in Violet, Louisiana.

The vessel shift went smoothly. Discharge operations commenced early the following morning and were completed successfully one week later. As expected, these operations were not without their share of trials. At one point, ballasting operations to reduce the air-draft of the vessel resulted in an unexpected flood of water into a hold that, thankfully, had been emptied of cargo only hours earlier.

On completion, we reported to our clients, who actually sent us a thank you note, a rare and treasured gesture. This alone made the three-month effort well worthwhile.

Congratulations to our New Orleans office for a job well done.

New Carissa

Rik van Hemmen spent nearly the whole month of February at the "NEW CARISSA" salvage/wreck as consulting naval architect for the Salvors, Smit Americas.

It was the first West Coast salvage job in quite a while for the firm, and it was interesting to renew old West Coast friendships and make many new ones.

Both the circumstances and equipment available on the West Coast made this job quite different from the standard salvage job (if there actually is such a thing).

Imagine 30 days of truly bad weather, windy weather changing from rain to snow to hail to sunshine within 15 minutes, with

onshore waves that were never less than 14 feet. It dictated operational planning cycles of 15 minutes and less and constant alertness.

Luckily there was plenty of good salvage gear. Coos Bay is one of the largest logging ports in the world. If you need wire, custom slings, block and tackle, and good gloves, try Oregon Pacific logging supplies. They have it all.

Some truly useful equipment is available on the West Coast that would be very hard to find on the East Coast. Yarders (big crawler rigs used to set up sky wires), a 300-ton pulling vessel (the Salvage Chief, 50 years young and in great shape), and 20-ton lifting capacity commercial helicopters (Columbia Helicopter Chinooks).

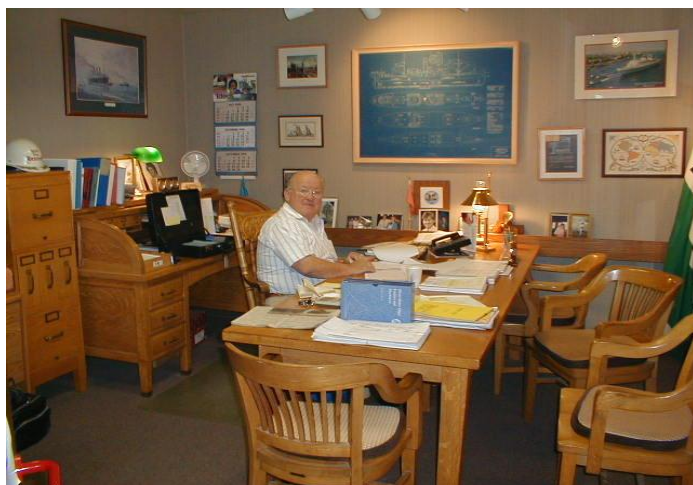
However, most memorable of all was the attitude of the people of Coos Bay. The Oregon Coast is stunning with rare bird species and the economy really depends on tourism, but not one bad word was heard from the people of Coos Bay. You'll never find a group of more pleasant and sensible people in time of distress.

The people of Oregon and their elected officials showed a great deal of reality throughout the salvage project.

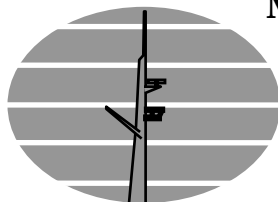
Rik plans to go back soon to relax on the beach in the warmer months and to enjoy some more Oregon Coast hospitality.

Announcement Rotterdam Office New Location

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Established 1875

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