

The Managers
Thomas Miller Defence Ltd.
90 Fenchurch Street
London
EC3M 4ST

T +44 (0)20 7204 2124 F +44 (0)20 7204 2131

Ref:2020/5

TO: ALL MEMBERS

OCTOBER, 2020

BUNKER QUALITY DISPUTES

The Association has updated its Practice Recommendation in relation to bunker quality disputes as follows:

Practice Recommendation 5

The Association has over a number of years been involved in cases concerning the supply of inferior bunkers. In many instances the Member's case has been compromised by its inability to provide clear evidence that the bunkers supplied to the ship were the cause of the damage.

In order to maximise the prospects of successfully resolving such claims, Members are recommended to pay particular attention to the following:

1. The fuel specification contained in the charterparty or used when ordering fuel.

Members are advised to refer to the latest version of the recognised fuel standard such as ISO8217, which will govern sulphur content, and to endeavour to make specific reference to elements such as aluminium and silicon. Reference should also be made to stability, homogeneity and compliance with MARPOL and to the fuel being free from any material at a concentration that causes the fuel to be unacceptable for use in accordance with the standards.

2. The terms and conditions covering the purchase of fuel.

Members are advised to be aware that contracts have often been noted to include a clause exempting the supplier from or indemnifying it against all liability unless put on notice within a very short time period and action may therefore need to be taken promptly.

3. The Member's instructions for sampling procedures.

As samples from tanks may be claimed to be mixed with previous bunkers or residues, Members are advised to arrange for continuous drip samples to be taken throughout the bunkering process at the ship's manifold, in accordance with MARPOL procedures and the terms of the applicable contract. Clear procedures should be agreed in charterparties and supply contracts for sampling and testing the fuel, including the exchange, witnessing, sampling location, sealing and storage of samples as well as procedures for resolving any quality disputes, including identifying which samples are to be binding.

4. Fuel analysis scheme

Members are advised to consider entering the ship into a fuel analysis scheme and to follow any recommendations made under that scheme.

5. The Member's handling of the fuel.

The careful storage and treatment of low sulphur fuel is important in order to minimise engine problems. Members are advised to pay careful attention to specific technical requirements of any fuel stemmed, including heating, use of additives, engine manufacturer recommendations and cylinder lube oil. Members should also avoid blending fuels from different sources due to a risk of incompatibility and instability.

Should you have any questions please do not hesitate to contact the Managers.

Yours faithfully,

THOMAS MILLER DEFENCE LTD.

Managers