

LESSON THIRTEEN

CHARTER PARTIES (II)

Time Charter Party. By this charter the charterer hires the vessel and her entire carrying capacity for a specified time and for a specified sum per day, payable at specified periods. All the proper cargo space, including that for deck cargo, is at the charterer's disposal. This is sometimes referred to in a charter party as the "Full Reach and Burden" of the vessel and the charterer invariably assumes it to include any mast or deck lockers available and probably a locker or two in the mate's room.

The steamship company is responsible for the physical operation of the vessel and employs the master and entire crew. It also pays for the stores and provisions and the upkeep and repair of the vessel. In other words, the shipowner puts at the charterer's disposal a fully equipped vessel and operates her for the benefit of the charterer.

The charterer pays for fuel, tugs and pilots; he also pays harbour dues, stevedoring expenses and entering and clearing fees, but not expenses pertaining to the crew, with the exception of overtime if any of the crew work on the cargo. The charterer pays for any fuel in the vessel on delivery and the company pays for any fuel in the vessel on redelivery, both at current market prices at the port, unless otherwise agreed.

In this type of charter party there is no mention of laydays, dispatch or demurrage, unless the charterer makes a sub-charter to a shipper on a voyage basis. It is your responsibility to the time charterer to see that the provisions of the sub-charter are complied with and his interests protected as long as they are not in conflict with your company's interests.

Off Hire. A time charter party contains a clause known variously as the "Off Hire Clause", the "Breakdown Clause", or the "Cesser of Hire-Clause". This clause stipulates that "In the event of loss of time from deficiency of stores or crew, breakdown of machinery, stranding, fire or any damage preventing the working of the vessel for more than hours, the payment of hire shall cease until she is again in an efficient state to resume her service". The time allowed is usually 24 hours. Off hire also includes dry-docking, breakdown of boilers, machinery or winches in port or any other difficulty that prevents the working of the cargo or delays the sailing of the vessel.

While at sea on a time charter, if the vessel should develop engine trouble or other fault, making it necessary to proceed (deviate) to the nearest port for repairs, she is usually taken off hire from the time of the breakdown to the time of her return to the geographical position where it occurred and from which the voyage will be resumed. The exact time and position of the point of deviation, as well as the amount of fuel on board at the time, should be logged, and the home office notified in detail regarding the incident. If the charterer has an agent at the port of refuge he should also be notified, as well as your own, if one is in the port. Logbooks, both deck and engine, should carry complete reports of the deviation, using both local time and GMT

At the earliest opportunity after arrival in the port of refuge, make a Note of Protest before your Consul or a notary public. If the latter, have the agent make the necessary arrangements.

Statement of Facts. Draw up a Statement of Facts covering the time the breakdown occurred and deviation commenced to the time the vessel returned to the point of deviation and the voyage was resumed. This statement should be signed by you, the chief engineer, and the agents. It is generally sent to the home office from the port of refuge. A typical Statement of Facts is shown below for a vessel under time charter, bound from New York to Casablanca. The vessel lost a blade in Lat. 39-40 N. Long. 70-00 W. and returned to New York for repairs.

Reports Required by the Charter. On time charter you may be requested to send the charterer deck and engine room log abstracts, engineer's passage reports, port activity reports and periodic radio reports giving position, speed and weather. Any or all of these should be sent as often as required. If any of these reports are to be made on special forms provided by the charterer, a supply should be requested before sailing. Instructions from the charterer may indicate that arrival and departure reports for all ports be turned in on completion of the voyage. These reports should not be put off until the end of the voyage but should be completed as soon as possible after the vessel arrives or departs from a port of call and the pertinent details are known. If the job is postponed until the end of the voyage it will be found necessary to consult the logbooks and many papers to get the required information.

As master, you are responsible to your company, whose interests you should protect, but you must also look out for the best interests of the charterer in so far as outturn of cargo and quick dispatch are concerned.

QUESTIONS

1. What is a Time Charter Party?
2. What responsibility does the charterer assume under a Time C/P?
3. What is the shipowner responsible for?
4. Who pays for fuel, tugs and pilots?
5. Why is there no mention of laydays, dispatch or demurrage in a Time C/P?
6. What are the duties of the Master or the Ship's Officers under a Time C/P?
7. Explain and discuss Cesser Clause, and what it refers to.
8. What time does the off-hire period cover when the ship must deviate from her course and put into a port of refuge?
9. Where must the particulars of the deviation be recorded?
10. Where is the note of protest entered?
11. Discuss the form and purpose of the Statement of Facts.
12. What reports must you make to your Charterer under a Time C/P? When should it be made?

EXERCISES

I COMPREHENSION AND VOCABULARY

1. Decide which of the statements is true or false, and give the right solution (consult the previous Unit on charter parties):

1. Under a time C/P the vessel is hired for a specified time and sum per day or period.
2. Laydays are important in time charter parties.
3. In a voyage C/P the charterer is responsible for the operation of the vessel.
4. The owner is responsible to provide the cargo for the voyage.
5. Another term for a bareboat C/P is the Demise C/P.
6. In a Demise C/P the charterer operates the vessel as if it were his own vessel.
7. Under a time C/P the master and the crew are employed by the charterer.
8. When on a time C/P, the owner pays for the costs of fuel, tugs and pilots.
9. The cargo space does not include the deck space and lockers, and these are not at the charterer's disposal.
10. The statement on the engine breakdown is only signed by the chief engineer.

2. Fill in the missing words or phrases from this Unit:
(*CONTROL, CREW, CONTRACT, HIRE, SHIPOWNER, CHARTERER, FREIGHT, LET, CHARGES*)

Time Charter. A time charter is a _____ of affreightment in which the _____ agrees to and the shipowner agrees to _____ his vessel for a mutually agreed period of time, the remuneration being known as _____. The ship provides a definite income to the _____ and a minimum risk. A time C/P also protects the Owner from a decline in _____ rates. The _____ does not have to worry about day-to-day operation of the vessel as far as bunkers, port _____ and cargo expenses are concerned. The disadvantages to the Shipowner are that to a certain extent he loses _____ of his vessel, although he still appoints the Master and the _____.

3. Fill in the required prepositions:

"Off-hire Clause" or "breakdown clause" provides that in the event _____ time being lost _____ certain circumstances which prevent the vessel _____ working _____ more than 24 hours, payment _____ hire shall cease until she is again ready _____ resume the service contracted. If the time lost does exceed 24 hours, hire is not paid _____ respect _____ the first 24 hours _____ the breakdown. Partial breakdowns, winch _____ of service, _____ insurance, are also considered _____ be within the scope _____ this Clause.

II GRAMMAR

1. Negative prefixes. Form negative words using the following prefixes: *un-, non-, in / im / il / ir-, dis-, mis-*:

adj.: *variably, possible, regular, legal, complete, seaworthy, important, necessary, changed, appropriate, expensive, clean;*

verbs: *agree, connect, understand, load, charge, engage*

2. Supply the right verb form in the following conditional sentences:

1. Unless otherwise agreed, the charterer (*pay for*) any fuel on delivery.
2. If the report (*make*) at the end of the voyage, it will be necessary to consult the logbooks again.
3. If the charterer employs the stevedores, it (*be advisable*) to make sure who has to sign the reports of any damage.
4. If the consignee (*produce*) the original B/L, the Master would have delivered the goods.
5. What would you do if you (*have*) no receiving documents?
6. If the crew (*engage*) to work in overtime hours, the charterer will have to bear the labour expenses.

3. Change the verb forms underlined into the infinitive with "to",

i.e. "The Master should inform the Charterer ..." = "The Master to inform the Charterer ...".

The Charterers shall give the necessary sailing instruction to the Master. The Master shall be under the orders of the Charterers as regards employment, agency, or other arrangements. The Master should prosecute all voyages with the utmost despatch. He must also render customary assistance with the vessel's crew. The Master and Engineer are liable to keep full and correct logs including scrap logs accessible to the Charterers or their Agents. On receiving particulars of any complaint the Owners are to investigate the matter promptly.

III TRANSLATION

1. Brod će biti predan i stavljen na raspolaganje (at disposal of) Naručitelju u luci Rijeka, na vezu gdje može stalno i sigurno plutati (lie afloat).
2. Brodar osigurava (provide) i plaća sav provijant, zarade posade, osiguranje broda, kao i sve zalihe na palubi i u stroju.
3. Za vrijeme najma Naručitelj mora osigurati i platiti gorivo (naftu), kotlovnu vodu, lučke takse, peljarenje, takse za plovne putove, tegljenje, kanalske pristojbe, ukrcaj tereta, trimovanje, slaganje (uključujući razdjelne daske, žitne pregrade) itd.
4. Naručitelj će u luci stupanja u charter, a brodar u luci prestanka čartera (redelivery), preuzeti i platiti sve gorivo (naftu), koje je ostalo u brodskim tankovima goriva, po tekućim cijenama u dotičnim (respective) lukama.
5. Naručitelj će zapovjedniku pružiti (furnish with) sva uputstva i dati nalog za plovidbu (sailing instructions), a zapovjednik i upravitelj stroja dužni su uredno i potpuno voditi dnevnik, koji će biti dostupni (accessible) naručitelju ili njegovom agentu.
6. Ako brod ne bude predan u najam (deliver) do 25. X 19... naručiteij ima pravo raskida (cancel) ugovora.

SEVEN SEAS STEAMSHIP CORPORATION

S.S. SEVEN SEAS STATEMENT OF FACTS

Voy. 90

LOSS OF BLADE

1965 EST

1. Lost blade in Lat. 39-40N Long.70-00W	1	Ma	041	Hrs	0945
	5	y	5		GMT
2. Returning to New York	1	Ma	051	Hrs	
	5	y	0		
3. Arrived Ambrose. Pilot on board	1	Ma	131	Hrs	
	6	y	0		
4. Made fast, Todds Drydock // 10	1	Ma	173	Hrs	
	6	y	0		
5. Left Drydock	1	Ma	130	Hrs	
	8	y	0		
6. Discharged Pilot; Departure Ambrose	1	Ma	154	Hrs	2056
	8	y	5		GMT
7. Arrived Deviation point Lat.39-40N Long.70-00W	1	Ma	045	Hrs	0950
	9	y	0		GMT

		Date	Time	Dis	Fuel
			e	t	
From Lat. 39-40N Long.70-00W	1	May	041		8355
:	5		5		
To : Ambrose Pilot	1	May	131	192	
	6		0		
Todd Drydock // 10	1	May	173	23	8249
	6		0		
Left Drydock	1	May	130		8225
	8		0		
Departure Ambrose	1	May	154	23	
	8		5		

Arrived	Deviation	point	Lat.39-40N	1	May	045	192	8050
Long.70-00W				9		0		

From Deviation point Lat.39-40N Long.70-00W

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To :	New York (Todds) and return	4 days	00	45
			Hrs	min.

Total distance	430
	miles

Fuel consumed	305 bbls
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Chief Engineer

Master