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Climate change adaptation for seaports and airports

Exploring shipping emissions for marine environment: A case of Arctic region

Growth in cruise tourism in the Arctic

Marine hull insurance – Pandemic delay

Crew changes and COVID-19: key lessons from French shipowners

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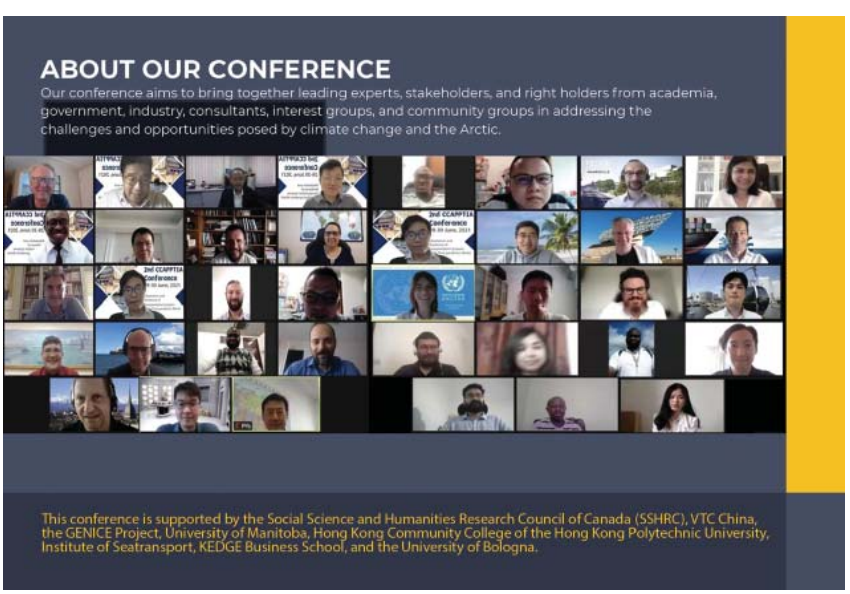
This is a special issue dedicated to the 2nd CCAPPTIA Conference (www.ccapptia.com/21conference) that took place on 28-30 June 2021. CCAPPTIA (www.ccapptia.com) is an international forum that brings together leading experts, stakeholders, and right holders from academia, government, industry, consultants, interest groups, and community groups in addressing the challenges and opportunities posed by climate change and the Arctic. It strives to consolidate and coordinate global research and development activities related to strategy and policy implementation under the context of climate adaptation planning, as well as Arctic shipping and development.

Themed as *Adaptation and Resilience of Transport and Logistics in the Post-Pandemic World* that featured 27 speakers and 101 participants coming from five continents, the conference strives to offer important insight on how policymakers, practitioners, and scholars can work together to solve contemporary challenging problems in (maritime) transport and logistics.



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Climate change adaptation for seaports and airports

Mark Ching-Pong Poo

As crucial nodes in international supply chains with high similar operational functions, seaports and airport systems are highly vulnerable to the risks that climate change poses to their infrastructure and operations. Transportation systems' inability to adapt to climate change risk would severely blow economic prosperity and human welfare. However, it is now too late to avoid all harmful effects posed by climate change, not least due to the uncertainties on how they should be addressed. Policymakers and stakeholders must thoroughly understand potential climate change risks on seaports and airports and undertake appropriate adaptation planning and strategies to tackle them. However, there are inadequate works on reducing the uncertainties of decision-making when dealing with climate change and its impacts on human welfare.

The Intergovernmental Panel on Climate Change (IPCC), an international body for assessing the science related to climate change, has undertaken thorough reviews on transport infrastructures and stated that transportation systems would face enormous challenges by the environment in the future. They have indicated climate-related drivers of impacts for coastal zone systems and transportation systems. Coastal cities with extensive port facilities and large-scale industries are vulnerable to increased flood exposure. High-growth cities located in low-lying coastal areas are also at higher risk.

With increasingly frequent and severe climate-related events, adapting to the impacts posed by climate change has been a critical research topic influencing transport operation, infrastructure, planning and policymaking in recent decades. Therefore, it urgently requires illustrating the status quo regarding long-term risks posed by climate change on seaports and airports, including detailed analyses of the current measures and dilemmas in handling climate change and adaptation of planning to provide competent advice with seaport and airport stakeholders.

Due to the overlapped natures among seaports and airports, setting up a climate resilience assessment within a similar framework is possible. First, by measuring their resilience levels on the same platform, the weaknesses of the seaport system and airport system can be found. Then, the further comparative analysis takes place by comparing the results of both seaports and airports by the same framework.

Apart from measuring the local climate resilience, it is also necessary to consider the importance of seaports in the network. For example, in Felixstowe, Suffolk, the

Port of Felixstowe is the United Kingdom's busiest container port, dealing with 48% of Britain's containerised trade. In 2017, it was ranked as 43rd busiest container port in the world and 8th in Europe, with handled traffic of 3.85 million twenty-foot equivalent units (TEU). Therefore, the Port of Felixstowe requires more attention than other seaports in the United Kingdom, and some network assessments, such as centrality assessment and shipping route modelling, can be done. Furthermore, at a local level, seaport or airport can find some strategic groups to enhance the resilience based on the climate natures of different cities. Finally, at the national level, an analysis of the influences by different climate seaports and airports has been assessed to utilise national climate adaptation strategies. Some priorities can be given the transport infrastructures with more significant influence and experiencing higher risk.

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Exploring shipping emissions for marine environment: A case of Arctic region

Qiong Chen / Ying-En Ge / Adolf K.Y. Ng / Yui-yip Lau / Xuezong Tao

The existing literature on the Arctic has offered varied investigations of the current data on Arctic shipping and predicted future scenarios of pollution emissions from the vessels shipping in the Arctic region. However, the urgent need for an empirical analysis of environmental impacts of Arctic shipping remains. For this purpose, we examine vessel characteristics in conjunction with a series of Automatic Identification System (AIS) data between 2012 and 2016. These datasets, combined with a bottom-up model for estimating pollution emissions, enable us to analyse the level of pollution generated by vessels in the Arctic region. The results indicate that the movements of the vessels and their emissions increase in frequency and continue to do so unless clean energy or technologies are adopted. It is found that most vessels were concentrated in the Norwegian and Barents Sea areas, and more than 80% of the emissions are found to be concentrated in this area. Emissions from the Northern Sea Route are comparatively low and those from the Northwest Passage are similarly insignificant. Besides, an empirical analysis of the emissions in the Arctic region is carried out following the more restrictive International Maritime Organization (IMO)'s guidelines on sulphur emissions that is implemented in January 2020. This investigation supplements the literature analysing Arctic's pollution emission inventory.

It is found that tankers, passenger vessels, fishing vessels, and cargo vessels constituted the main sources of emissions in the Arctic region. The hotelling operational mode accounted for most of the emissions, followed by manoeuvring, slow cruise, and fairway cruise. Regarding engine types, it is found that the boilers caused the highest volume of emissions, followed by auxiliary engines (AEs) and main engines (MEs). Therefore, it is essential to improve the shipping conditions in the Arctic region so that ships may sail at a higher speed or decrease demand for power, which then reduce energy consumption and emissions from Arctic shipping.

Emissions are found to be the highest in July, August, September, and October during 2012 – 2016 when the Arctic region was the busiest during a year. As the sulphur content in fuel was restricted to 0.5% as of 2020, the total emissions are predicted to be 16,622.39 tons in the Arctic region. This investigation accordingly enriches the existing literature on emissions inventory contributed by Arctic shipping. As climate change makes the Artic suitable for shipping longer during a year, more and more shipping traffic are shifting from the traditional routes to the Arctic routes. This shift will certainly reduce the journey distance and time and energy consumption and, accordingly, decrease the total emissions from global shipping.

This work calculated the emissions inventory for vessels operating in the Arctic, in conjunction with the levels of emissions from vessels sailing along the NSR and the NWP. The highest levels of global maritime emissions occurred in the Norwegian and Barents Seas. Although the shift from the traditional routes to the Arctic routes reduces the total emissions from global shipping, shipping emissions may be more concentrated, as this shift carries on, in the Arctic, which is an environmentally vulnerable region. Therefore, it is necessary to tighten rules and regulations governing Arctic shipping in a timely manner to prevent this from happening in the Arctic region.

It is essential to carry out further research to gain a richer understanding of key factors in developing sustainable Arctic shipping. For example, in addition to the application of the AIS data, we may generalise the findings reported in this work to conduct in-depth interviews with a range of practitioners, policymakers, government bodies, vessel operators, and other relevant stakeholders. It is desirable to consider other key factors that determine vessel operations in Arctic waters, including ice safe speed restrictions, the water-depth restrictions to manage vessel sizes, and the ice requirements for vessel class designs (i.e., size, GT). Besides, key parameters, such as information on the auxiliary engines and boilers of the vessels, can be applied in subsequent studies. Finally, we believe that this study offers significant contributions to this increasingly important area in the shipping and maritime industries.

[This is an extended abstract of the paper that was presented at the 2nd CCAPPTIA Conference on Adaptation and Resilience of Transportation and Logistics in the Post-Pandemic World on 28-30 June 2021 and is later published in Maritime Policy and Management.]

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Growth in cruise tourism in the Arctic

Yui-yip Lau / Adolf K.Y. Ng / Maneerat Kanrak

Since the 2000s, cruise tourism has become an emerging topic in the tourism and transportation research areas. A cruise is defined as"any fare paying voyage for leisure onboard a vessel whose primary purpose is the accommodation of guests and not freight normally to visit a variety of destinations rather than to operate on a set route" (Wild and Dearing, 2000, pp. 319-320). This can be elaborated as "transportation of pleasure-seeking travellers on ocean voyages offering one or more glamorous ports of calls" (Kendail,1986, p. 360).

The history of cruise tourism can be traced back to the incident of the Titanic dated 15 April 1912. Since then, cruise tourism has been increasing awareness among policymakers, industrial practitioners and scholars (Jiao et al., 2020). This is because cruise touring has become popular, with the number of ocean cruise passengers has remarkably risen from 17.8 million in 2009 to 29.7 million in 2019 (CLIA, 2021). To the best of authors' knowledge, North American and European cruise markets have already reached their saturation points. Also, various repeated cruisers engage their cruise trips in the Asian region. Therefore, this is a time for cruise lines to revisit the cruise market and explore new itineraries in the forthcoming years to stay competitive in the tourism industry.

The effect of global warming has generated significant changes across the globe in the 21st century. The seasonal melting of sea ice in the Arctic ocean induces a new cruise market and navigation in the future. In this sense, exploration activities and cruise tourism become active in the Arctic region. As expected, the acceleration of ice reduction stimulates the expansion of cruise tourism in the Arctic. So far, Arctic cruise tourism is a fast-growing market and transforming into a maturing stage. Cruising in this region provides various travelling features for passengers, including attractive cruise destinations (e.g. charismatic mega-fauna like narwhal and polar bears), unexpected cultures (e.g. different kinds of indigenous people, taiga landscapes, vast tundra, glaciers and icebergs), exciting shore excursions and exotic experiences.

The Arctic region is a vast geographical area globally, consisting of the Arctic Ocean, adjacent seas, and parts of Alaska, Canada, Finland, Greenland, Iceland, Norway, Russia and Sweden (Stefansson Arctic Institute, 2004). These are located in the remote area that is difficult to access and has fragile nature and cultural conditions (Maher et al., 2014). There are 10 Arctic ports that may be feasible to enable cruise ships to engage in berthing activities. The strengths and weaknesses of Arctic ports are provided in Table 1.

Table 1: Strengths and Weakness of Arctic Ports

Port	Geographical Location	Sustainable Development	Navigation Factor	Human Factor	China-Russia Cooperation Foundation
Provideniya	4	3	3	3	4
Uelen	5	5	3	1	5
Pevek	2	3	3	3	2
Nignejansk	3	3	3	1	3
Tiksi	5	4	3	3	5
Dikson	3	3	3	3	3
Sabetta	5	3	3	4	5
Mezen	2	2	4	5	2
Arkhangelsk	2	2	4	5	2
Mypmahck	5	2	5	5	5

Remarks: Excellent = 5; Good = 4; Satisfactory = 3; Fair = 2; Unsatisfactory = 1
Source: Chen and Zhang (2018)

Currently, the following regulations govern Arctic cruise ship operations to maintain environmental sustainability and improve socio-economic benefits.

1. Polar Code

   - To ensure stricter practice within Polar waters is warranted as an essential and positive development for Arctic shipping.

2. Guidelines for the operation of passenger vessels in Canadian Arctic Waters (TP 13670E)

   - To promote better quality passenger ship and cruise operations in Canada.
   - To clarify the division of responsibilities between different agents interested in Arctic shipping.

3. Pollution prevention guidelines for cruise ship operation under Canadian Jurisdiction (TP14202E)

   - To help cruise ship operators to develop better procedures to comply with Canadian legislation on Arctic shipping and pollution.
   - To offer a framework for reporting, inspection, and the preparation of training and educational materials.

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Marine hull insurance – Pandemic delay

Raymond T C Wong

(A 15-minute on-line presentation at the CCAPPTIA Conference on 28th June 2021 by Raymond T C Wong, Emeritus Chairman of the Institute of Seatransport, Hong Kong)

Abstract: Cover under standard insurance clauses commonly used (subject to English law and practice); problems introduced by Covid-19 pandemic resulting in additional, often expensive, "delay" related expenses thus affecting the quantum of claims; introduction of communicable disease exclusion clauses.

The pandemic has been ongoing for over a year, yet there is no comforting sign of it being over in the near future. However, there is always something good out of something bad; it appears that shipowners have been doing unexpectedly well in the midst of Covid-19. We are, nevertheless, very sorry to see very many seafarers being stranded onboard ships and painfully kept away from their families for many months. Last Friday, 25th June 2021, was the International Day of the Seafarer. We salute the Seafarers for their contributions, praying for and looking forward to "A Fair Future for Seafarers" who deserve our gratitude, respect and support.

Ladies and gentlemen, marine insurance is of considerable importance to sea transport. Insurance is a contract of risk, and a contract of marine insurance, as defined by section 1 of the UK Marine Insurance Act 1906, is "a contract whereby the insurer undertakes to indemnify the assured, in manner and to the extent thereby agreed, against marine losses, that is to say, the losses incident to marine adventure". The contract is embodied in a marine policy; the policy form being used is called the MAR Form. The subject matter insured we are referring to is SHIP which includes her hull and machinery, materials and outfit, etc. owned by the Assured.

The standard clauses commonly used in conjunction with a policy of insurance are the Institute Time Clauses – Hulls 1/10/83, which provide cover for loss of or damage to the subject-matter insured caused by perils named under Clause 6 and Clause 7, which include:

- Perils of the sea, e.g. collision, grounding, heavy weather
- Fire, explosion
- Violent theft
- Piracy
- Negligence of Master, Officers Crew or Pilots, and
- Negligence of repairers or charterers (provided they are not an Assured)...

There will generally be a claim on a ship's policy of insurance when, by the operation of insured perils, any of the following occurs:

- Total or Constructive Total Loss
- Particular Average - any loss other than total loss caused fortuitously
- General Average – extraordinary sacrifice or expenditure reasonably and voluntarily made for the common safety of the interests concerned in a maritime adventure
- Salvage charges
- Sue & Labour Charges
- Collision Liability

The types of claims that likely affected by Covid-19 are Particular Average and General Average. The measure of indemnity in respect of the Particular Average claim is the reasonable cost of repairing the damage (as provided by section 69 of the Marine Insurance Act, 1906). General Average claims, in most cases, are adjusted in accordance with York-Antwerp Rules (incorporated in contracts of carriage), which are the internationally accepted code of rules setting out what losses and expenses are admissible in general average.

It is worth mentioning that the Marine Insurance Act, section 55, provides that, "Unless the policy otherwise provides, the insurer .... is not liable for any loss proximately caused by *delay*, although the delay be caused by a peril insured against". Also, Rule C of the York-Antwerp Rules provides that, "... and any loss or damage sustained or expense incurred by reason of *delay*, whether on the voyage or subsequently, and any indirect loss whatsoever, shall not be admitted as general average".

Covbid-19 lockdowns and restrictions have been affecting ports and repair facilities, hence questions have arisen about General and Particular Average claims impacted by thereby.

The coronavirus "COVID-19", first detected in early December 2019, became a global pandemic in March 2019 and has been causing on-going disruptions on port operations around the world. Varying restrictions have been imposed by ports, 14-day (subsequently increased to 21-day) quarantine isolation being most common. We have seen the shutdown of industries, including repair yards. In the midst of Covid-19 we often see various additional (so-called) "pandemic delay" related expenses being incurred thus increasing the cost of repairing the damage and the general average prolongation of voyage expenses.

Examples (quoted from the 2020 Address of the Chairman of the UK Association of Average Adjusters):

1. A vessel on a loaded passage from Asia to Europe, enters the port of refuge after a serious casualty (grounding) and begins grounding damage repairs expected

to take 2 weeks in drydock to replace her rudder. However, Covid-19 restrictions are introduced worldwide and the yard closes, as do the rudder manufacturers. The vessel is moved to a lay-by berth where a standby tug is required by the port authorities, and the repairs are delayed for 2 months. The additional detention expenses, including the tug, are enormous (coming to US$2m).

2. A vessel suffers collision damage whilst some 50 miles from a well-known repair port. It is understood that a complete lockdown at that port is soon going to be ordered by the government so the vessel steams 500 miles to the nearest reasonable alternative port, thus increasing the removal costs for repairs.

3. A vessel is undergoing a major main engine alongside at a repair yard in Asia; Covid-19 restrictions are imposed and the repair yard is closed. The majority of the repairs have to be completed at anchorage using overseas service engineers at greatly increased costs. Some of the major spare parts required are not available from their usual source in China and have instead to be sourced from Europe at higher cost.

Each case is treated on its own merits. Let us consider the following circumstances:

A vessel in Asia sustained serious machinery damage requiring repairs to enable her to continue trading. The Shipowner in conjunction with the Underwriters Surveyor investigated and agreed at the method and nature of repair of the main engine damage, and duly considered the feasibility of getting the job done by local contractors before the Assured eventually entering into a repair contract with the Engine Makers in Europe, wherein the standby rate of the team of Makers service engineers, their travelling and accommodation expenses, etc. during the quarantine (due to Covid-19) and repair periods are quoted. The engineers travelled to the repair port, and were placed in local hotel for 14-day quarantine. After repairs they travelled back to home base in Europe and were similarly placed in local accommodation for quarantine. The Shipowners paid for their accommodation and the contractor's invoices for the service engineers at standby rate during the respective quarantine periods.

The following points are made for consideration/discussion:

Costs incurred for restoring the ship to her pre-damaged condition

It is noted that the insurance would require the insured to "act as a diligent uninsured owner" to obtain the most favourable offer for repair of the damage. That is to say, the shipowner is expected to repair his vessel in the manner which a prudent owner would employ if uninsured. Nevertheless, the shipowner needs to demonstrate that the "costs of repair" are prudently incurred.

It is submitted (by The Lord Justice Donaldson in 1982) that the cost of repairing the damage caused by the peril insured refers to "that of restoring the vessel to her pre-damaged condition (*North Atlantic Steamship Co. v. Burr* (1904) 9

Comm. Cases 164). How this is to be done and what costs are included will vary from case to case. As Devlin J. put it in Irvine v. Hine (1950) 1 KB 555.572 "The Court has to arrive as near as possible at the actual figure which would have been expended had she been repaired". Reference is also made to The Medina Princess (1965) wherein Roskill J. held that the correct approach to the words reasonable cost of repairs was to identify "what would have to be expended to put the ship right".

COVID-19 restrictions affecting ports and repair facilities

When the decision was made to carry out permanent repairs of the main engine damage, it was never optimistically expected that the Covid-19 would disappear within a year or so. It would be unreasonable to expect the shipowner to keep his vessel out of commission waiting for a period of many months for normality to return; instead he would without hesitation, as an uninsured, be prepared to encounter the Covid-19 inconvenience and pay extra cost to return the vessel to full freight earning. There is no suggestion that it was imprudent to give the work to the Engine Makers.

Foreseeability and unavoidability

The travelling expenses (Europe-Asia-Europe) are essential and the waiting charges as agreed are quite normal for repairs by Makers' engineers/technicians working away from home base. It is worth noting that Makers service engineers work overtime as customary on working away from home basis and it has been a recognized adjusting practice to allow the excess cost of overtime charged forming part of the reasonable cost of repairs.

The quarantine isolation costs, as discussed above, must be regarded as well within the contemplation of both owners and underwriters in the midst of Covid-19, being both foreseeable and unavoidable. These are not losses proximately caused by "delay", but expenses necessarily incurred to commence repairs of the damage caused by peril insured enabling same to be carried out.

To conclude, it is submitted that the additional "pandemic delay" related expenses incurred in respect of the attendance of the MAN engineers/ technicians as required for the repairs are properly categorized as "what would have to be expended to put the ship right", thus the reasonable costs thereof incurred would form a claim recoverable under the hull policy.

It is not surprising to see Insurers being reluctant to entertain the additional "pandemic delay" related expenses, hence the introduction of exclusion clauses with a view to limiting, if not excluding, cover for the additional "pandemic delay" related expenses. The Joint Hull Committee (JHC), a joint LMA (Lloyd's Market Association) / IUA (International Underwriters Association) committee, introduced the JHC Communicable Disease Exclusion (JH2020–007A 20th November 2020) with the opening wording:

"1. Notwithstanding any provision to the contrary in this (re)insurance, it is hereby agreed that this (re)insurance excludes absolutely all Communicable Disease Loss, save where the conditions of the Infected Individual Exception are met." (i.e. exclusion with exclusions from exclusion – Clause 2.2-2.4).

It does not appear that the wording is explicitly clear, making it difficult to interpret and follow with certainty in practice. Understandably, Assured have apparently been resisting incorporation of the exclusion clause in their policies of insurance.

(Raymond T C Wong: Average Adjuster)

Crew changes and COVID-19: key lessons from French shipowners

FEDI, Laurent

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In January 2020, the World Health Organization (WHO) declared a new coronavirus that constituted a 'public health emergency of international concern' (PHEIC). From then on, COVID-19 has had enormous impacts all around the world. Crews and seafarers in particular have paid a heavy price in the pandemic. According to the International Transport Workers' Federation (ITF), 25% of seafarers were kept on board more than ten months.

Shipping represents around two million seafarers. Most numerous are Filipino, Chinese, Indian and Indonesian. Europeans account for 600,000 and only 16,000 are French. 50,000 are relieved every week on average. In September 2020, 400,000 seafarers?worldwide were stranded on vessels and?required immediate repatriation while they were 200,000 in March 2021.

In light of this singular event that has severely impacted our societies and economies, we carried out a study (Charbonneau et al., 2020) to firstly take stock of the main impacts of COVID-19 on crew changes for French shipowners and secondly, to provide a critical analysis of the key adaptation strategies implemented in response to this worldwide pandemic. We conducted 30 interviews with different public and private entities, such as French Maritime Affairs, union representatives and shipping companies (April - July 2020).

This synthesis focuses on the shipowner's responses collected from executive managers representing key sectors such as bulk, offshore, container and cruise (e.g. CMA CGM, Marfret, Ponant, Bourbon Offshore and Louis-Dreyfus Armateurs).

As a whole interviewees underlined numerous uncertainties they have had to manage particularly at the onset of the epidemic, such as the shortage of masks, their protection effectiveness, the shortage of tests, or ongoing health, and administrative policy shifts. They also insisted on the 'wave' of restrictions they faced (e.g., closed borders, flight cancellations, reduced frequencies, quarantines) and emphasized on an unstable and 'volatile' regulatory framework (e.g., visa requirements) imposing a daily management of COVID-19. The positive and negative aspects of COVID-19 can be found in Table 1.

Table 1. Summary of the impacts of COVID-19

Positive aspects	Negative aspects
• Duration service periods on board: > 6 months (while the French Transport Code states 6 months maximum compared to MLC 2006 < 12 months) • Filipino seafarers faced longer periods > 10 months	• French shipowners respected IMO protocols and signed ITF agreements: payment of wages, insurance and food during the quarantine period • French government provided a strong assistance to shipping sector and financial support (70% of gross salary) in case of partial unemployment
• Extreme situations (Bourbon): e.g. Namibia: 3 crews were stuck with supply difficulties water, food and medical • Conflicts / fights on board	• As a whole, French ships did not face serious shortages of food, medicine, clean water and bunker supplies
• Lack of harmonization and non-respect of international or EU recommendations	• French shipowners considered crews' fatigue, stress and well-being • Closer relationships between shipowners and seafarers: greater personalized relationships with crew members (not only via Masters) • Increased listening and social dialogue
• EU member states: different policies (e.g. Germany), frequent policy changes contrary to European Commission recommendations (2020 /C) 119/01)	• Greater solidarity between French shipowners (e.g. mutual air chartering)

Source: Fedi, L. (2021)

As a conclusion, our analysis confirmed the strategic role of seafarers during COVID-19. They ensured proper functioning of shipping and finally its resilience (Notteboom et al., 2021). However, this scourge put a strain on seafarers, and they faced difficult situations, both physical?and psychological. French shipowners have pleaded in favor of the creation of five or six international hubs and sanitary corridors dedicated to crew changes between airports and ports without contacts with local population and without quarantine measures. Furthermore, the managers that we interviewed were worried about the socio-economic impacts of COVID-19 on maritime employment especially risks regarding resignation, loss of competences, skills shortage, and higher training costs for new entrants. Some of

French shipowners have already addressed these concerns by better salary conditions and longer rest periods.

At the time of writing, the question of the 'key worker' status for seafarers is still pending. While a UN Resolution was adopted on 1 December 2020, only 60 countries have signed. At EU level, a joint statement from the European Transport Workers' Federation (ETF) and the European Community Shipowners' Association (ECSA) was recently voted on 20 April 2021 to achieve the 'key worker' status and to allow seafarers a list of pandemic rights that should be applied: travel without restrictions, quarantine exemption, medical treatment, testing priority, welfare, vaccination access priority and financial support. IMO supports this recognition whereas it would like to go further and facilitate this recognition through, for instance, the modification of the SOLAS Convention.

Remark

The full manuscript can be accessed at: Charbonneau, A., Chaumette, P. et Fedi, L. (2020). Santé au travail, reèlve des équipages, dialogue social et emploi maritime : retour d'expériences sur la gestion en France de la crise de la COVID-19, *Droit Maritime Français* n°827, 686-694

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