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New York bids to lure London Greeks to new 'shipping capital'

New York Maritime Inc's chairman Shaerf out to woo UK's cluster of owners as they brace themselves for 'bad news' over tax legislation

Rajesh Joshi
New York

NEW York's maritime cluster has launched a bold bid to lure discontented London Greek shipowners away from the UK.

Peter Shaerf, the New York investment banker, has taken over as chairman of the non-profit promotional body New York Maritime Inc, with the avowed intention of making New York City the "capital for shipping".

One of his first acts as Nymar chairman is to make a pitch to London Greeks. Mr Shaerf's advances seemingly have been prompted by reports featured in Lloyd's List on the disquiet expressed by this venerable institution of the London maritime establishment over the prevailing taxation regime.

"Relocate to New York — you will be greeted with open arms," Mr Shaerf states in an open letter to London's significant Greek shipping community, published in Lloyd's List today.

The UK-based cluster of Greek owners is currently braced for the worst when new draft tax legislation is unveiled this month. London Greek Shipping Co-operation

Committee chairman Epaminondas Embiricos, the public voice of Greek shipping in the UK, has already voiced his opinion that "it could be very bad news indeed".

That Mr Shaerf has now targeted this lucrative sector is hardly surprising. London's Greeks are often estimated to represent about 70% of the overseas shipping interests linked to the UK and any successful poaching by New York would be seen as a welcome coup for the US shipping cluster.

Mr Shaerf's day job is as a managing director with investment house AMA Capital Partners. He took over as Nymar chairman from Bill Honan of law firm Holland & Knight.

Nymar is a volunteer-based membership organisation dedicated exclusively to raising the maritime profile of New York City. A Nymar statement describes its goal as "promoting the benefits of the metropolitan area as a maritime business center in order to attract more businesses to share in the opportunities available in this robust area".

Nymar was founded four years ago by law firms, and its membership base has since expanded to other sectors. Current records indicate that about one-third of its



Bright lights, big city: but will the 'Big Apple' offer better opportunities for London's community of Greek shipowners?

members are non-law firms. Mr Shaerf told Lloyd's List he intends to expand as well as broaden Nymar membership. He said his goal of marketing New York City as the "capital for shipping" would target shipowners, bankers and other industry sectors for new memberships.

He said Nymar, over the longer term, hopes to involve civic and business devel-

opment officials from New York City, making them partners in the quest for new maritime business.

In a prepared statement, Mr Shaerf highlighted New York's financial clout.

"There is an abundance of capital here — maritime public companies have a market capitalisation of over \$100bn — and an abundance of liquidity with

\$300bn of public shipping stocks traded in 2007," he said. "We also boast the largest stock exchanges in the world, not to mention a proliferation of investment banks and commercial lenders, and are home to a dynamic and prosperous private equity community. That's a lot of apples in the Big Apple."

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Standard P&I Club in wake-up call over fines and risk of jail

Jerry Frank

INFLUENTIAL mutual, the Standard P&I Club, has warned that shipping boardrooms are seriously underestimating the impact of a "breathtaking" level of fines and jail sentences imposed by the Marpol anti-pollution convention.

The Bermuda-incorporated protection and indemnity club has called on ship operators to heed the legislation it has dubbed a "multi-million dollar problem", if they want to avoid escalating fines and their employees being sent to jail.

Standard has added its voice to a rising chorus of concern among industry representatives and insurers over the rapidly rising level of pollution-related fines and the criminalisation of seafarers in the US. BIMCO and Intertanko last year published guidelines to members on compliance with Marpol, or the International Convention for the Prevention of Marine Pollution from Ships.

Last February, Lloyd's Register and the UK P&I Club also issued a marine pollution prevention pocket checklist advising masters and owners about their general approach to port state control over prospective and actual pollution.

Lloyd's Register marine director Alan Gavin added that it is also concerned with recent EU anti-pollution legislation's use of the term "serious negligence", which does not have a definition in EU law.

"This means that any incident of

marine pollution, which could lead to criminal charges, prison sentences and heavy fines, will be based on a very subjective and imprecise test which is wholly objectionable," Mr Gavin said.

Recent cases in the US have included a district court in Maine fining Petraia Maritime more than \$500,000 in November and imposing a two-year probation period on the company.

Standard Club claims director Brian Glover told Lloyd's List that members now need to tackle the issue at management level and implement procedures to ensure compliance in an increasingly "zero tolerant" regulatory environment.

Mr Glover said: "This is not just another operational matter."

In the US alone, more than \$133m in criminal fines have been imposed from 1998 to the end of 2007, with the tariff applied to individual breaches of Marpol continuing to rise.

Standard is particularly concerned that the industry has underestimated the requirements of the convention signed by more than 100 countries.

Mr Glover said: "Any legislation that can result in multi-million-dollar fines, time-consuming court-ordered environmental compliance plans and extensive jail time for crew members deserves to be taken seriously."

Standard said in a special bulletin that the US authorities — the Coast Guard, Department of Justice and other federal and state authorities — have over the last decade "waged a war" against ships trading to the US that are felt to flout Marpol regulations.

France, along with an increasing number of European countries, is also singled out as one of the more zealous enforcers of a "zero tolerance" implementation of the Marpol convention.

"Environmental issues are not going away, the political landscape is changing and you can expect more and more countries to take an intolerant attitude towards even relatively minor pollution incidents," Mr Glover said.

The bulletin goes on to dispel a number of industry myths, namely, that the US is the only jurisdiction with tough anti-pollution enforcement policies and that operators can avoid prosecution by claiming that they were unaware what their crews were up to on board ship.

The bulletin stated: "The 'zero tolerance' approach in the US and in an increasing number of European countries, such as France, has resulted in unprecedented levels of fines imposed on ship operators in the last 10 years."

Satellite surveillance, inspection of ships' logs and incentives for whistleblowers are just some of the steps now commonly pursued by increasingly draconian authorities to catch polluters.

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