

Shell to hire U.S. mariners for its LNG carriers

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Students at the Calhoon MEBA Engineering School in Easton, Md., using the school's Transas LNG simulator to learn cargo handling procedures.

Shell Shipping and Shell International Trading and Shipping Co. (STASCO) will begin recruiting U.S. merchant mariners to staff its growing fleet of managed international liquefied natural gas carriers.

The announcement by London-based Shell follows a November 2006 extension of a vessel management contract between STASCO and Nakilat Shipping Ltd. The two

companies have now entered into an agreement, announced on Feb. 8, 2008, that will further expand STASCO's vessel management portfolio adding 25 newbuild LNG carriers to Nakilat's fleet.

Nakilat expects to own as many as 54 LNG carriers, making it one of the largest LNG shipowners in the world, according to Shell Trading (US) Co., a part of the Shell global network of corporate entities based in Houston.

"The addition of U.S. mariners will positively enhance Shell's seafarer skill pool and provide Shell and Nakilat with highly experienced personnel for their LNG fleets," said Bob Salmon, general manager of shipping for Shell Trading (US) Co. "We're excited to work with the U.S. Department of Transportation's Maritime Administration (MarAd) and the U.S. Maritime unions to encourage the use of U.S. officers in the LNG industry."

"The recruitment drive also provides an excellent opportunity for American mariners to enhance their careers through Shell's international and domestic joint ventures, such as Broadwater Energy LLC in Long Island Sound."

Broadwater Energy has proposed an offshore terminal in the Sound.

Shell employs more than 500 marine officers in its international fleet. With these new ships coming on line, Shell said it will need to hire an unspecified number of additional LNG-qualified mariners. The company trains officers from its global partner countries to serve in the fleet. It has 200 cadets now undergoing training to become Shell officers. It is unclear just how many American mariners Shell plans to hire.

"Since Shell recruits from around the world for its LNG fleet, it is too early to say how many Americans will eventually join Shell's seafarer team," Shell spokeswoman Maggie Hawkins said. "Final agreements have not yet been reached, so the interview process has not even started."

But even so, U.S. Maritime Administrator Sean T. Connaughton applauded Shell's announcement. He

said it "coincides perfectly with a universal training standards agreement facilitated recently by the Maritime Administration. That agreement standardized training and



Gallina and Galea, two of the eight tankers in Shell's G-class of LNG carriers, which may soon have U.S. mariners aboard.

internationally accepted competencies for U.S. seafarers.”

Shell is not the only LNG vessel owner/operator to look to U.S. mariners to staff ships. Suez LNG has agreed to recruit, train, and supply U.S.-citizen mariners for service on as many as nine of its LNG carriers. That program is in collaboration with the U.S. Maritime Administration, Massachusetts Maritime Academy, and the International Organization of Masters, Mates & Pilots.

The union’s training facility, Maritime Institute of Technology and Graduate Studies, Massachusetts Maritime Academy, the U.S. Coast Guard, International Maritime Organization and the Society of International Gas Tanker and Terminal Operators will cooperate to develop course materials and training sessions. Vancouver-based Teekay Shipping Ltd. and BG Group in Britain are also looking to the U.S. maritime academies to expand their ranks with qualified junior officers.

The demand for LNG is expected to double by 2025. Today there are 217 LNG carriers operating with another 135 vessels on order. According to Capt. Thomas S. Laird, LNG project manager with the American Maritime Officers union, there will be 380 LNG carriers in operation by 2010 — all in need of qualified officers and crew. A report published by Poten & Partners, a New York-based firm, estimates that for the ships currently on order, global crew requirements will top 9,000: 2,300 deck officers, 2,400 engineers and 4,500 additional hands.

All of this points to a unique opportunity for U.S. mariners to fill those slots. With support from MarAd and industry leaders Shell, Suez Energy, Teekay Shipping and BG Group, an increasing number of U.S.-licensed mariners will sail aboard a growing international LNG fleet.