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In the Matter of the Arbitration :
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 between :
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 Strategic Bulk Carriers, Inc. :
 Claimant and Disponent Owner of the :
 SBC TBN :
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 - and - :
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 Traxys North America LLC :
 Respondent and Charterer :
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 Under an Americanized Welsh Coal :
 Charter Party amended 1979 :
 Dated January 16, 2008 :
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FINAL AWARD
January 15, 2010

Before:
Gerard T. Desmond, Chair
John F. Ring, Jr.
Nigel J. Hawkins

Appearances:
For Strategic Bulk Carriers, Inc.
Lyons & Flood, LLP
By: Kirk M. Lyons

For Traxys North America LLC
Rubin, Fiorella & Friedman
By: James Mercante

BACKGROUND:

This dispute arose out an Americanized Welsh Coal Charter amended 1979 (hereinafter "the Charter") dated January 16, 2008 between Strategic Bulk Carriers, Inc, (hereinafter "SBC" or "Owner") and Traxys North America, LLC (hereinafter "Traxys" or "Charterer").

The Charter called for the loading one cargo of between 18,000 and 22,000 metric tons ("mt") at Vessel's option of met coke in bulk from Sparrows Point, Maryland to Iskenderun, Turkey with a laydays/cancelling of February 11/20, 2008 on an SBC TBN.

The other basic terms of this Charter were a loading rate of 7,000 metric tons per weather working day of 24 consecutive hours Sundays and Holidays included and a discharging rate of 12,000 metric tons per weather working day of 24 consecutive hours Sundays and Holidays included. The freight rate agreed was USD 92.00 per metric ton (gross less 4% address commission) free in and out spout and/ or grab poured. The demurrage/dispatch agreed was USD 47,500 daily or pro rata/half dispatch on working time saved.

The terms of the Charter required that SBC nominate a vessel with the following characteristics:

Single deck self trimming Bulk Carrier Engine and Bridge aft

Classed equivalent highest Lloyd's 100 plus A1

ISM Certified

Fully USA and Turkish Coast Guard suitable.

Maximum 25 years of age

Geared or gearless

Fully P and I fitted and to remain so throughout the duration of the voyage.

Fully ITF fitted/suitable

Suitable in every respect for the carriage of coke in bulk and for grab discharge.

Owners guarantee the performing vessel is to be seaworthy throughout the duration of the voyage and the performing vessel is suitable for entering, berthing and able call and transit from load berth/port to the discharge berth/port.

The nomination Clause under this Charter reads as follows:

"Owners to nominate performing vessel or similar sub latest 14 days prior first layday at the same time narrowing the laycan to a seven days spread. Seven days prior first layday, Owners to nominate the actual performing vessel together with full itinerary, ETA, description, cargo intake and transit time to the discharge port at the same time narrow the laydays to a five days spread.

Charterer's, Receiver's and Shipper's approval of the vessel nomination to be declared latest within 24 hours after vessel nomination has been received by Charterer. However if nomination is presented on a Friday or day before a holiday, approval of nomination to be declared close of business New York time on Monday or the next working day."

CLAIMS:

Owner commenced this arbitration to recover loss of earnings in the amount of \$446,072.00 representing non-performance of the SBC TBN Charter Party by Traxys after nomination by SBC of the MV ZIEMIA LODZKA as performing vessel. Traxys' position is that the contract is null and void due to the terms of the nomination clause, and no damages would accrue since the nominated vessel was eventually not chartered by SBC.

SBC's calculation of lost earnings is:

Gross revenue 20,600 mts x 92.00	\$1,895,200.00
Less 4% commission	(\$ 75,808.00)

Net revenue	\$1,819,392.00
Hire 46.313 days x 23.77 days	\$1,100,931.00
Bunkers	\$ 203,697.00
All other voyage expenses	\$ 68,691.00
Net Income	\$1,819,392.00
Voyage Income	\$ 446,073.00
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THE PROCEEDING:

Owner appointed Nigel J. Hawkins and demanded Arbitration pursuant to Clause 5 of the charter party. Charterer appointed John F. Ring, Jr. and the two Arbitrators appointed Gerard T. Desmond as third Arbitrator and Procedural Chairman.

One hearing was held on April 28, 2009 followed by Affirmations presented on SBC's behalf on: June 22, 2009, June 24, 2009, June 17, 2009 June 30, 2009. Declarations presented on behalf of Traxys' were submitted on August 27, 2009 and September 1, 2009.

Post Hearing Brief SBC	October 14, 2009
Post Hearing Brief Traxys	November 6, 2009
Post Hearing Brief SBC	November 13, 2009
Final Brief Traxys	November 2, 2009
The proceedings were closed on	November 30, 2009

ARGUMENTS:

In fulfillment of its charter agreement, SBC time-chartered (on subs) from Head Owners Polsteam the MV ZIEMIA LODZKA and nominated her to Traxys on January 23, 2008 at 1609 hours.

The vessel description provided at the time of the nomination was

MV ZIEMIA LODZKA

GLESS, SELFT BC, BLT MAY 1992

FLAG: LIBERIA CREW: POLISH

DWT: 26,264 MTS ON 9.90 METERS SSW

LOA/BEAM: 179.975 / 23.10 M

GRT/NRT: 17,458 / 9,406

5 HOLDS/HATCHES

TOTAL IN MAIN HOLDS 1,233,164 DBFT GRAIN / 1,201,487 BALE GRAIN/BALE CBFT

BREAKDOWN

1) 188,753 / 182,261

2) 315,001 / 307,135

3) 216,651 / 211,819

4) 315,001 / 307,205

5) 197,758 / 193,067

HATCH DIMS: LENGTH X WIDTH

NOS 1/3/5 14.40 X 12.90 M

NOS 2/4 26.40 X 12.90 M

HATCH COVERS: MC GREGOR, FOLDING TYPE, HYDRAULIC OPEN FORE/AFT

ITINERARY: ETA GRUNDARTANGI 27 JAN FOR COAL DISCHARGE, ETR 30/31 JAN, ETA

SPARROWS POINT FEB 9TH

ESTIMATED CARGO INTAKE: ABT 20,600 MTS BASIS 59 CBFT/MT

ESTIMATED STEAMING TIME FROM TO DISPORT: ABOUT 17/18 DAYS

The pertinent terms of the negotiations between SBC and Head Owners, Polsteam were:

Delivery: arrival pilot station Sparrows Point, Maryland any time day or night Sundays and
Holidays included

Trip: For one time charter trip from Sparrows Point to Turkey (intention Iskenderun) via
SPS/SBS/SAS, always within IWL, always within ice free ports, with harmless no Dangerous not
IMDG classified cargo, intention met coke in bulk - cargo is called nut Coke because of it's
sizing, ie about 10 x 40mm average stowage factor about 59 cuft mt

Lay/can: February 8-15, 2009

Hire: \$47,500 daily (gross) or 46,312.50 (net)

Redelivery: dropping last outbound sea pilot Turkish port in Charterer's option any time day or
Night Sundays and Holidays included

Address Comm: 2.5%

SBC asked Traxys for acceptance of the nomination with the laydays/cancelling to be narrowed
to a 5 days spread in due course.

At this point, finalization of negotiations between Polsteam and SBC were taking place, and Polsteam required the subjects between SBC and Polsteam to be lifted prior to the period SBC had with Traxys in approving the nomination of the vessel.

As the negotiations over Charter Party details of the ZIEMIA LODZKA continued between Polsteam and SBC, extensions were requested by SBC on their time limits with Polsteam. On two occasions extensions were granted by Polsteam to reply to the nomination of the vessel, and the last extension was granted by Polsteam to SBC until 1600 hours on January 24, 2008. At 1530 hours on January 24, 2008, Traxys' representative called SBC advising that they would not be able to perform the Charter as the cargo was cancelled. This was followed up by an email from Traxys' at 1639 hours on January 24, 2008 which stated that the suppliers of the cargo had cancelled the contract with Traxys and therefore Traxys cancelled the fixture with SBC. They added that since SBC has not yet fixed the vessel, they should have no damages.

The case before the panel was to determine if in fact a Charter Party contract had been concluded between SBC and Traxys and if the nomination clause in this contract on its own allowed the Charterer the ability to cancel the Charter Party contract.

DISCUSSION AND DECISION

The panel concludes that a valid freight contract was reached between SBC and Traxys on January 16, 2008, when at the time all subjects were lifted by Charterer and a fixture recap was sent to all the parties.

The panel also concludes that there was a valid vessel nomination under the terms of the Charter Party.

The nomination clause places an obligation to perform the contract on the vessel Owners (SBC), with specific requirements on the vessels age, characteristics, readiness, cargo lift and

certifications. There is no contention that the vessel nomination did not conform to the requirements of the Charter Party and the Charterer did not reject the nomination on any of these points but rather on a non-performance issue under a separate supply contract between Traxys and their supplier.

The contract between SBC and Traxys was formed when they lifted all their subjects on January 16, 2008. The nomination clause is not a subject under which the Charter Party may be cancelled. The acceptance is an approval of the nomination by all interested parties to make sure that the vessel conforms to the terms of the contract.

Had the vessel not been acceptable under the terms of the contract, then it is Owner's obligation to present an alternative suitable vessel. The nomination clause by itself does give the Owner the liberty to nominate another vessel where it states "or sub", but does not give the Charterer the right to cancel the vessel.

So it is clear to the panel that the cancellation of the contract by Traxys lies solely in their inability to comply with the terms of the Charter Party inasmuch as they were unable to supply the cargo agreed.

The nomination clause is clear and unambiguous when it states: "Charterer's, Receiver's and Shipper's approval of the vessel nomination". This is strictly an approval process and not a cause for cancellation of the contract.

There is a cancellation clause in the Charter Party and it is quite specific as to what needs to happen in order for the contract to be cancelled, and this did not apply.

Although the ZIEMA LODZKA was not eventually chartered by SBC, the "subject" fixture did establish market value at the time of performance of this contract and enables one to firmly establish damages.

THE AWARD

The panel agrees that SBC has a loss of earnings due to the improper cancellation of the Charter Party. However, the panel thinks that the calculation for the lost earnings was optimistic inasmuch as it did not include any provision for bad weather which at the time of this voyage was Winter in the North Atlantic. The panel has instead calculated the loss of revenue as a total of \$275,582.00.

The cargo lift is based on the master of the ZIEMIA LODZKA estimate of 20,600 mts

The panel's calculation of lost earnings is:

Gross revenue 20,600 mts x 92.00	\$1,895,200.00
(less 4% commission)	(\$ 75,808.00)

Net revenue	\$1,819,392.00
Hire 46.312.50 days x 26.70 days	\$1,239,785.60
Bunkers	\$ 235,114.70
All other voyage expenses (including commissions)	\$ 68,691.00
Net Income	\$1,819,392.00
Voyage Income	\$ 275,608.68
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The panel directs the Charterer to remit to the Owner the sum of \$295,383.78 calculated as follows:

Loss of Income	\$ 275,608.68
Interest from March 15, 2008 to January 15, 2010	\$ 19,775.10

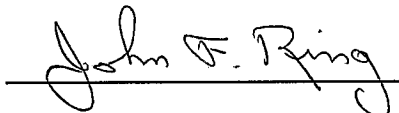
TOTAL	\$ 295,383.78
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Note; Interest calculated from March 15, 2008 which is when one reasonably can consider this voyage would have been concluded.

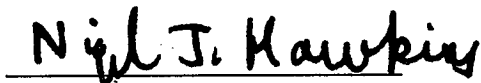
If payment is not made within 30 days of this award, interest at the rate of 5% per annum shall continue to accrue on the principal amount (\$275,608.68) until the award has been paid or reduced to judgment, whichever comes first

Each party is to bear the expenses of their own attorney's fees and the Arbitrators fees are to be shared equally and are joint and several obligation of the parties. The Arbitrator's fees are set forth in Appendix A and are to paid in accordance with the instructions contained therein.

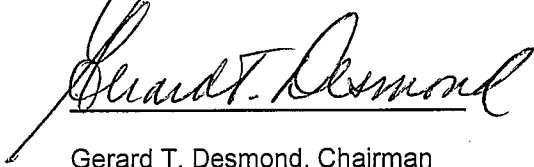
Pursuant to the Arbitration Clause, any court of competent jurisdiction may confirm this Award.



John F. Ring, Jr



Nigel J. Hawkins



Gerard T. Desmond, Chairman

Dated: New York

January 15, 2010