

Caring about quality at CMA

The Connecticut Maritime Association's yearly conference and exhibition revealed that owners and charterers care more about quality than ever

It is no secret that 'quality' has become the shipping industry's, and in particular the tanker sector's, watchword in recent years. The dedication to quality, transparency and accountability were as apparent as ever at the recently held Connecticut Maritime Association's annual conference.

Mike Carthew, president of ChevronTexaco Shipping (CTS) spoke of the need to continue the work that has been done through the cooperation between various industry players, including charterers, owners and class. He pointed out that only a few years ago, the industry was in a situation where hardly any dialogue took place between the various links in the 'chain of responsibility', defined by the International Association of Independent Tanker Owners (INTERTANKO) as including owners, class, pilots, ports, flag state administrations, port state control, agents and charterers, among others. This lack of dialogue was particularly apparent immediately following the sinking of the Erika in late 1999, he said. "In 2000, we had a problem with cooperation between links in the chain of responsibility and there was no accountability," he said.

However, due in large part to the Erika sinking and its aftermath, much has improved. Carthew cited the ongoing cooperation between the Oil Companies' International Marine Forum (OCIMF), INTERTANKO and the International Association of Classification Societies (IACS) as an indicator of the increased drive towards quality. He pointed towards the work that the three industry associations are doing in the realm of class rules, including the unification of scantling requirements and the increasing of acceptable corrosion margins. Owners, charterers and class are also working on increasing transparency, establishing industry-wide early warning systems and making timely information on class suspensions more readily available.

Carthew even went so far as to suggest that information from OCIMF's Ship Inspection Reporting (SIRE) system should be made freely available, although he admitted that he was not sure what the legal ramifications of such a move would be. He was, however, quick to point out that specifically in CTS' case, vetting is done on a voyage-by-voyage basis and is underpinned by a system which takes various parameters and factors into account; a further assessment is done by a 'marine expert', who ultimately has the final say over whether or not a ship is to be accepted for charter. A layperson, looking at the bare data without taking the decision process into account, might misinterpret what he saw, suggested Carthew.

However, there were no doubts about his convictions with respect to the required standard of tanker operations. "All of us need to operate with excellence," said Carthew, "and we cannot tolerate anyone who does not uphold the tenets of excellence."

ChevronTexaco Shipping, the resulting amalgamation of Chevron's and Texaco's tanker fleets (Tex Marine, Caltex Marine and Chevron Shipping) maintains a fleet of over 30 vessels and completes over 1,800 charters per year. ChevronTexaco, however, continues to use a number of Stena Ships (Concordia Maritime). CTS is also involved in lightering operations in the US Gulf and consults on naval architecture and terminal projects, including the terminal in Novossrysk, from which it lifts Black Sea crude.

According to Carthew, ChevronTexaco currently moves 60 per cent of its cargo on the spot market; 2 per cent via time charter; 16 per cent via Concordia vessels; and 22 per cent through owned and operated tankers. In the future, he said,

the oil major will move towards a 'portfolio approach' incorporating the spot market, time charters, forward freight agreements (FFAs) and owned/operated tonnage.

Owners for quality

Peter Swift, managing director of INTERTANKO, also referred to the concept of the chain of responsibility and stated that owners "realise that they are the primary link" in that chain.

The tanker industry's safety track record has improved vastly over the years, he said, primarily because the industry has been forced to improve. He pointed to the notorious incidents of the past few decades: the Amoco Cadiz, the Torrey Canyon, the Exxon Valdez and of course, the Erika. "It only takes one incident of any consequence to change our industry drastically," he said. This lesson was learned yet again after the Erika sinking which caused an uproar in Europe and resulted in a package of legislative measures which are now known as Erika I and II.

Perhaps the most well known of these measures is the amendment to Regulation 13G of MARPOL Annex I, which mandates the phase-out of single-hull tankers. Interestingly, Swift pointed out, European Union (EU) parliamentarians tend to refer to this impending phase-out as the 'phase-in' of double hulls. The balance between single and double hulls in the world fleet will finally and irrevocably tilt towards double hulls this year for the first time ever, with 51 per cent of the tanker fleet comprised of double-hull vessels.

INTERTANKO fully supports the concept of transparency, said Swift, but the Association prefers any such transparency to be 'informed' in order to ensure that information is not used inappropriately or misinterpreted.

The issue of transparency has, however, become inextricably intertwined with that of maritime security. Authorities and governments are now pushing for transparency of ship ownership, which has raised some concerns among shipowners. According to Svein Ringbakken ownership is not necessarily the key piece of information needed to preserve ship security. "Why the focus on shareholders?" asked Dragos Rauta, the Association's representative in Washington, DC. "The person who holds the document of compliance is the person who should be held responsible for the operation of the ship."

Regardless of whether or not ownership is the issue, it is clear that governments, in particular the United States, are keen on bringing this information into the public arena and that the ongoing trend towards transparency in the shipping industry will be accelerated by outside forces.

The phase-in of Automatic Identification Systems also appears to be a contentious issue. The International Maritime Organisation (IMO) had previously mandated under an amendment to the Safety of Life at Sea (SOLAS) Convention, Chapter V, the installation of AIS transponders onboard all new ships of 300 gross tons (gt) and above as of July 1, 2002, but at the recently convened meeting on ship security at IMO in February of this year, it was agreed in principle to accelerate the implementation of AIS, as well as to extend its range. INTERTANKO supports the implementation of AIS, but expressed concerns about the ability of manufacturers to supply and install the necessary equipment on time.