

Tanker industry meets in Hong Kong

IТОPF, OCIMF and INTERTANKO met in Hong Kong to discuss ship vetting, oil spill response and transparency

The Oil Companies' International Marine Forum (OCIMF), the International Tanker Owners' Pollution Federation (IТОPF) and the International Association of Independent Tanker Owners (INTERTANKO) held their annual general meetings in Hong Kong this year, in addition to a jointly sponsored seminar on oil spill response and related issues.

Jan Kopernicki, the recently appointed chairman of OCIMF and vice-president of STASCO, Shell's tanker operating arm, opened the conference with an overview of the Forum, describing the work it has done over the past few years and its current concerns. The focus has fallen on two particular topics, he said: the relationship between class and industry and the issue of financial liability in the event of an oil spill.

The second of these is one of the main sources of friction between owners and charterers. Owners jealously guard their right to limited, albeit strict, liability, while charterers are unhappy with the fact that they will be expected to fund the entirety of the third layer of compensation that has been added to the existing Civil Liability Convention (CLC) Fund.

"OCIMF believes that a fundamental improvement in spill reduction will be brought about were there to be a change in the behaviour of shipowners," he said.

"The International Oil Pollution Compensation Funds have served the victims of oil spills well over the years. Oil receivers finance this Fund, and OCIMF members contribute about 60 per cent of the total Fund. It is about to be enlarged by the addition of the Supplementary Fund - which will also initially be funded by oil receivers), which will give the victims of oil pollution an almost bottomless pit of compensation finance to claim against.

"The polluter, usually the shipowner has limited liability so is able to hide behind this massive Compensation Fund, funded by others.

"Shipowners' behaviour would more surely be predisposed towards a safe operation if they were required to have a meaningful stake in the compensation of victims.," he said.

Sharing information

There has been much debate about the meaning of the word 'transparency' in the context of the shipping industry. It is usually taken to signify the clarity and availability of information about shipowners' operations and practices, facing out towards the public who have an interest in knowing what shipping companies get up to, but do not necessarily have the technical knowledge to interpret the information on offer. Transparency of another kind looks inward and involves the sharing of information between the various parties within the shipping industry - port state control, flag, class, owners, P&I and others. It is this kind of transparency that Dr Peter Swift, managing director of INTERTANKO, discussed in his presentation, on the premise that the free, or at least freer, flow of information will be necessary if the industry wants to preserve its predominantly self-regulating nature.

Instances in which information sharing has had a positive impact include the Equasis database; the adoption of the Continuous Synopsis Record by the industry and IMO; the harmonisation of the SIRE (ship inspection reporting system) and CDI (Chemical Distribution Institute) Vessel Particulars Questionnaire; the development of the International Association of Classification Societies' (IACS) Procedural Requirements. But as ever, more can be done, said Swift. Areas which could be

markedly improved include the investigation of accidents; early-warning systems; and the provision of detailed information about waterways, vessel traffic and ports.

"Accident investigation is a major source of concern for all of us," he said. "We sadly lack investigation of many shipping accidents. The responsible bodies, frequently flag states and class, should always be rightly criticised for failing to investigate accidents properly for making that information readily available to those who have a valid reason for knowing.

"Quite often we hear of faults, either in design or in service and we do not have any easy way of communicating with those with a sister vessel.

"In day-to-day operation we routinely fail to have adequate information available about water depths and conditions and under-keel clearances and passage schemes. In the totality of our waterway information management, we have many failings.

"We talk regularly about ship inspections. Fundamentally there are four pieces of information that are needed to assess the quality of ships and operations: we need to be assured that ships are compliant with statutory requirements; that there is compliance and certification from class; that they have properly audited safety management systems; that the vessel has operational integrity. This information should be available from a trusted source."

Swift admitted, however, that there are many impediments to the free flow of information, not least commercial considerations, issues of liability and a lack of incentives to be more open. "If we're open, we don't expect to be punished. We would like to be rewarded. When we're operating in a heavy weather situation and we have damage, we get criticised for having that damage. If we choose to slow down and deviate we get criticised as well, so do we disclose the information? Many times we are discouraged from doing so."

There is no doubt that the industry is sharing more information than ever. The discussion on the issue of newbuilding standards for both tankers and bulk carriers, for instance, has been carried forward, with a recent meeting taking place in Shanghai between owners' associations, class and shipyards. Industry participants, particularly shipowners and shipmanagers have highlighted the problem of PSC detentions not being 'closed out' on Equasis, but still acknowledge that it is a highly useful tool and a definite step in the right direction. Alan Gavin, marine director of Lloyd's Register (LR) and current chairman of IACS, has pushed forward with his initiative to have a more open dialogue with the industry, having approached many of the owners' associations, and publishing IACS' work programme on the Association's website. And significantly, the International Chamber of Shipping (ICS), the Baltic and International Maritime Council (BIMCO), INTERTANKO and INTERCARGO began this year to hold supra-associational meetings of the bodies' leadership staff in an effort to cooperate more fully on key issues concerning their memberships.

Swift is of course correct in saying that more could be done. One good example among many was given by John Hughes, director of OCIMF. In his presentation on the Forum's SIRE system, he noted that although SIRE is open to PSC and harbour authorities, very few reports are withdrawn from these bodies. "120 organisations are signed up to receive SIRE reports, including port states and harbour authorities," he said. "It's one of our great regrets that they don't use SIRE more than they do. Only two out of 1,500 reports withdrawn in a given month are done by PSC inspectors, and they are able to do so free of charge."

Piracy and technology

Maritime security has come to focus almost purely on the possibility of terrorist attacks against vessels, but as Capt Ayant Abyhankar, director of the International Maritime Bureau (IMB) amply demonstrated, piracy and hijackings are still a major concern. Since 1994, he said, incidences of piracy have gradually increased, aside

from "unexplained drops" in the figures for 1998 and 2001. As of the end of October 2002, there had been 300 attacks.

Most attacks continue to occur in the Malacca Straits and Indonesia. Just the day before the conference, he said, three attacks had occurred in the region: two on containerships and one on a chemical tanker.

According to Capt Abyhankar, the most common crime committed against vessels is 'maritime mugging'. "The ship could be going at full speed, or it could be at anchor. The pirates will get onboard, terrorise the crew and steal the ship's cash or equipment. The money involved is not the issue; it's the danger to the crew. They will tie up the crew, it could be for up to an hour, which means that the vessel is under no command, perhaps sailing in straits." The risk involved with these maritime muggings clearly goes beyond the possibility, grievous as it is, of the pirates physically harming the crew; a vessel sailing through a straitened waterway with no command on the bridge could potentially result in the loss of life, a grounding, collision or incidence of pollution.

Kidnap and ransom are also becoming increasingly common, said Capt Abyhankar. There have been five incidents of this crime so far this year, and it occurs most frequently in the waters around Malaysia and Somalia. "The costs for the owner are quite extortionate, in excess of \$0.5m. There is no recourse for the owner. The chances of being hijacked are a certainty if a ship breaks down in either of these areas, not a possibility."

According to Capt Abyhankar, tankers are an attractive target for hijackers because the cargo is generally easy to sell or otherwise dispose of, and at least one tanker per year falls victim to this crime.

In the past, it has been difficult to apprehend, much less indict, culprits. As the pirates could be of one nationality, the ship of another, the crew of still a third and the attack could take place either in international waters or in the waters of a fourth country, it has been notoriously difficult to bring these criminals to justice, even when they are apprehended.

This may be set to change in the near future, as a significant precedent is likely to be set by the ongoing case involving the Alondra Rainbow, a Panama-flagged bulk carrier which was carrying 7,000 mt of aluminium ingots when she was hijacked by pirates shortly after she set off from the port of Kuala Tanjung in Indonesia on October 22, 1999.

Capt Abyhankar said that greater cooperation between coastal states in the region and the use of technology will be the two greatest keys to preventing hijackings and other kinds of maritime crime. IMB has developed two technological solutions - the ShipLoc satellite tracking system, which has proven to be effective in a number of cases, and the new Secure-Ship system, a 9,000-Volt electrified fence which surrounds the vessel. The system is non-lethal, although it cannot be used onboard vessels carrying flammable cargoes, and can act as a deterrent to hijackers or pirates attempting to board a ship.