

Intertanko meets in Washington

Tanker Operator previews the forthcoming Intertanko conference in Washington

Rarely has more attention been focused for so long and on so many aspects of global tanker market. Following the sinking of the Erika and Prestige tankers over the past couple of years everyone from legislators at the IMO and EU, the environmental movement and the general public have been inspired to act and get involved.

Intertanko, the global organisation representing the tanker owners, meets in Washington DC for its annual conference with plenty of hot topics on the agenda.

Tanker Operator will attend the event, reporting in our May issue on the key issues raised and the how the industry intends to move forward.

Here, the highlights of the key topics to be considered as identified and described by Intertanko at the meeting are previewed.

Unlike the greater part of last year, tanker markets in 2003 started on an upbeat note. However, unpredictability prevails in the form of geopolitical instability, threat of war, new and proposed regulations, and a world economy that struggles to emerge and pick up momentum after a slump that has lasted three years.

The unfortunate sinking of the Prestige has prompted renewed focus on the phase-out of single hull ships, transport of heavy grades of oil, places of refuge and challenges to international conventions that sustain and govern free trade of the seas.

All of these topics will be thoroughly debated and analysed at the conference together with discussions of structural safety in tankers and possible changes to oil majors' chartering practices as a response to recent events and in anticipation of new regulations.

In recognition of the importance of Washington as an administrative and political centre, and the US as an energy importer, considerable time will also be devoted to recent US and IMO developments, with particular emphasis on the Homeland Security Act, the International Ship and Port Facility Security Code (ISPS) and updates on practical implications for all segments of the tanker industry, says Intertanko.

Security

In December 2002 the IMO Diplomatic Conference on Security Regulations adopted the new International Ship and Port Facility Security (ISPS) Code, and while the US delegation to the conference expressed its satisfaction on the outcome of the negotiations we may expect that US Coast Guard (USCG) will align their requirements with these new international requirements as far as ship security is concerned.

In order to comply with the US Maritime Security Transportation Act (MTSA) of 2002, which also includes requirements to ships from third countries in US waters, USCG has to issue their own regulations. The USCG is expected to issue an Interim Final Rule in June 2003 and a Final Rule in December 2003. Properly implemented, a ship complying with the new international requirements will therefore most likely also comply with the corresponding US requirements.

However, there are some particular procedures of the current security measures taken in the US ports that create practical problems to ship operators. Intertanko is working on this issues and submitted adequate comments to the USCG rulemaking.

Seafarers' welfare

Fresh US regulation is expected to recognise the new Identity Documents for seafarers which are under consideration by the International Labour Organisation (ILO) in Geneva and expected to be approved in June 2003.

However, the current practices in US ports to detain seafarers lacking visas and, sometimes even some with visas but failing to pass a security screening, are creating many logistical problems and financial burdens for owners.

The uncertainty is also causing considerable personal frustration to seafarers. It appears that lack of resources has caused the US Coast Guard to delay security inspections on ships for a day or more. Spending unplanned extra days in port has resulted in tanker operators losing considerable sums of money, in addition to the extra costs of hiring security guards.

Intertanko is in continuous dialogue with the USCG and INS and is urging its members to report similar incidents enabling the Intertanko Secretariat to build up a series of cases studies and support the ongoing lobbying of the organisations.

Insurance and liability

Since the terrorist attacks on the US of September 11th oil and chemical tankers, containerships, offshore facilities, marine terminal facilities and passenger ships have been viewed as potential terrorist targets due to their capacity to create wide spread casualties and environmental damage.

To combat this threat US legislators are demanding that vessel and facility owners and operators to play a prominent role in the Washington's war against terrorism. The industry, be they ship owners or facility managers must regard the expenses made to cover their terrorism planning and response capability.

On the other hand, the legislators have not yet provided owners and operators with legal protections or government resources that are available to other industries, such as aviation.

This, coupled with the inability of most insurers to cover terrorist attacks due to a lack of reinsurance, leaves owners and operators facing the daunting task of having to prevent and respond to terrorist incidents with very limited or no financial resources. Moreover, unlike in aviation, the Title XII marine war risk program has not been updated to include terrorism perils and domestic operations.

Consequently, an Industry coalition (American Waterways Operators, The Chamber of Shipping of America, Intertanko, Maritrans Inc., The Water Quality Insurance Syndicate, and The West of England Ship Owners Mutual Insurance Association) have suggested language to amend proposed regulations to provide legal and financial protections consistent with the bill's overall goals.

The first amendment would ensure that funds to respond to oil spills which may result from a terrorist incident are available through the Oil Spill Liability Trust Fund.

The second amendment would provide owners and operators who have an approved anti-terrorism plan with a defence to third party claims unless they are found to be in substantial non-compliance with the terms of their approved plan.

For further details see www.intertanko.com