

Tanker Operator interview: Alan Gavin

Tanker Operator interviewed Alan Gavin, Marine Director of Lloyd's Register, to find out how he sees the evolving role of class in the maritime industry

Lloyd's Register is a leading tanker class society, with more than 1,000 tankers on its books, representing almost a quarter of all tanker tonnage.

With the International Ship and Port Facility Security (ISPS) Code, the phase-out of single-hull tankers and permanent means of access, there is plenty of work going on.

Permanent means of access

The issue of permanent means of access in particular has caused a stir within the industry, resulting in a submission to IMO by Greece which proposed amendments to the currently accepted regulation in SOLAS which mandates the installation of permanent means of access for tankers of 500 gt and over and bulk carriers of 20,000 gt and over.

The Greek proposal, which was based on a technical document jointly written by the International Association of Classification Societies (IACS) and industry (shipowners, shipyards and charterers), gained considerable support at the twenty-third IMO Assembly.

The proposal will be considered by IMO's Ship Design and Equipment Sub-Committee in March 2004, and the results of its deliberations will be submitted to the Maritime Safety Committee in May 2004 with the aim of achieving adoption in December 2004.

"The legislation as it stands now is somewhat impractical," says Mr Gavin, "and it raises concerns about the safety of some structures, as well as that of the surveyors and ships' staff who will have to use these permanent means of access."

Close co-operation

The close co-operation between IACS and industry on the permanent means of access issue is perhaps an indication of an increasing openness between class and industry in a general sense, Mr Gavin believes.

According to Mr Gavin, one of his key aims as a past-chairman of IACS was to foster a better, more open relationship between class and industry, by opening a dialogue with the so-called 'Round Table' of industry associations comprised of INTERTANKO, INTERCARGO, ICS and BIMCO.

"We started talking to the industry associations in an effort to bring our respective and collective experience to bear on the aims that we all want to achieve - the preservation of the safety of life at sea and the elimination of substandard ships," he says.

Fit for purpose

The 'fit for purpose' debate began in earnest when Arthur Bowring, director of the Hong Kong Shipowners' Association, used the term to describe the lack of this quality in bulk carriers.

"Building a 'fit for purpose' vessel is about getting the safety levels right for the cost involved - this is a fundamental tenet of the concept of risk management," says Mr Gavin.

"For instance, you could drive a tank to work and you would be incredibly safe, but it would take you ten times longer and cost you much more than taking public transport. This is not what we would call 'fit for purpose'.

"A balance must be struck between steelweight and cost-efficiency which will help to ensure that a ship will be capable of delivering its cargo safely and reliably, provided that it is operated and, perhaps most importantly, maintained correctly by the owner."

Maintaining standards

The definition of 'classification' - laying down rules and regulations for the minimum standard below which a ship should not be built - prevents classification societies from 'rating' vessels, however, there is every incentive to maintain and improve standards.

"If your whole credibility rests on your reputation, why should you endanger that reputation by approving anything that isn't fit for purpose?" asks Mr Gavin.

In spite of the industry's frequent criticisms of class, the fact remains that the members of bodies such as the Oil Companies' Industry Marine Forum (OCIMF) have made it clear that they will only deal with vessels classed with the top six classification societies.

What class does

The remit of class is, as ever, a hotly debated topic at the moment.

Regulatory agencies, particularly non-maritime ones such as the European Commission, would prefer it if some organisation could issue certificates which would declare ships to be absolutely seaworthy, taking into account all the possible factors which could cause an accident, such as hull integrity, the correct operation of navigation equipment and the skills of the crew.

But practically speaking, no single body is capable of providing this guarantee, as some degree of uncertainty, however small and well managed, will always be present in the seagoing enterprise.

In addition, the human element - responsible for 80% of all maritime incidents, according to some - has not yet been properly addressed in the industry, and although shipowners, operators and classification societies, among the other links in the safety chain, can do their utmost to properly train their people in the effort to minimise incidents, it is impossible to guarantee that incidents will not continue to occur.

Even if class is not asked to take in the human element, but 'merely' a ship's hull and equipment, it is still theoretically impossible to carry out 100 per cent surveys, as the time involved would make the exercise untenable.

"Practically speaking it's impossible," says Mr Gavin. "If we are talking about an intermediate survey, then a dry docking is normally involved and it would be impractical and costly for the owners to lay up their ships for the amount of time that doing a 100 per cent survey would take and offer little extra value to Lloyd's Register. "What we do instead is to assess where the likely critical areas are and survey those, as well as taking a representative sampling of the rest of the ship's structure. This is what risk management is all about."

There are always plenty of people keen to criticise class societies in general, with complaints about class surveys which miss critical corrosion in the interests of a faster inspection.

But on the other hand many in the industry see the class system as the best we have, and are quick to ask for the assistance of a class surveyor to explain issues to a port state control inspector.

Classification societies are happy to address their critics, says Mr Gavin. "We're very happy to address the individual cases and to modify our procedures if necessary."

"For example, we would take it very seriously and take drastic action if for whatever reason a Lloyd's Register-classed ship turned up as one of the Paris MoU's 'rustbuckets of the month!'"

Currently, Lloyd's Register maintains a database of its port state control detention record and uses the data to try to improve the performance of its classed fleet by benchmarking and analysing trends.

"If the data builds up a picture of a ship which is not being properly maintained, we make sure that we do unscheduled inspections and monitor that ship very closely," he says.

"This is one of the ways through which we seek to maintain and improve quality."

Other quality-driven moves include participation in IACS flag auditing scheme, an initiative which sees representatives from IACS societies working closely with black-listed flags to help them to improve their port state control detention records.

Liability

In a world where class societies are being expected to shoulder an increasing amount of the blame for maritime incidents, they are also now being forced to take on increased financial liability by governments around the world.

However, the insurance premiums that a classification society would have to pay to insure against the proposed increases in liability are out of all proportion to the fees that they charge.

"Considering the class fee is on the order of EUR 2,000-3,000, the proposed levels of liability - a cap of EUR 5 million on loss of life and EUR 2.5 million for loss of property - are disproportionately high," says Mr Gavin.

"Classification societies generally have small operating margins, and the majority of IACS societies are not-for-profit organisations.

"It is a common misconception that we are big commercial organisations with vast profits, and as international organisations, we are also the most visible party when something goes wrong."

Constant change

Amid demands in the industry that the class system needs to be changed, Mr Gavin answers that the class system has always undergone constant change.

"I don't see a problem with the class system, although where criticism is valid and justified, class of course looks to see where it can improve," he says.

"On the whole, though, it is a system which moves rapidly with the times and has amassed a vast area of expertise."

Mr Gavin cites the society's work with ISM, ISPS and perhaps International Labour Organisation (ILO) legislation in future as examples of the expanding role of class within the industry.

"A number of flag states have requested that class take on the job of auditing to ILO standards for things like crew accommodation and welfare," he says, "but the jury is out on this at the moment.

"It is, of course, ironic in the extreme that although class is constantly criticised by industry for not doing its job well enough, it is the first party the industry turns to whenever a new piece of legislation or a new area requiring technical expertise comes up."

Auditing class

Although class has taken on a great deal of auditing work itself, the fact remains that it too is thoroughly audited on a regular basis.

"The IACS members are subject to a high degree of monitoring," points out Mr Gavin.

"Each society performs its own internal audits, and as members of IACS, they are subject to IACS Quality Scheme audits which involve both system and vertical audits encompassing the actual surveys of existing ships.

"Most societies also have independent certification in accordance with ISO 9001:2000 and other standards relevant to individual areas of their business and are audited accordingly.

"Further audits are carried out by flag states - the UK, US and Norway among many others - and the European Union. In fact, it is estimated that each class society has an audit being commenced every two to three weeks, year on year.

"Performance is also measured by port state control authorities such as the Paris MoU and the US Coast Guard. The class societies' continued delegation for statutory survey and certification is also based on showing continued improvement."

EMSA

Mr Gavin also points out that the auditing of class which the European Maritime Safety Agency (EMSA) plans to undertake will not represent a huge shift in European policy, as the Agency will simply be taking on work which had previously been carried out by the European Union.

"However, this does not preclude the very real possibility that we will be subject to more and more audits in the future and probably not just from EMSA," he says.

EMSA, according to its director Willem de Ruiter, will be 'complementary' to the capabilities of flag administrations and classification societies.

Mr De Ruiter has placed a particular emphasis on marine accident investigations, the designation of places of refuge and oil spill response.

"Far from being antagonistic towards EMSA, class is very favourable to the formation of this agency," says Mr Gavin.

"For instance, IACS has proposed to EMSA that it form a technical body to work alongside the Agency in an advisory capacity.

"I hope that it will be an effective agency of maritime excellence and I await its arrival as a fully fledged maritime body."

Goal-based standards and common Rules

Another body which is taking an active interest in the way in which classification societies operate is of course the International Maritime Organization (IMO), through the decision to set goal-based standards for new construction, as proposed by the Bahamas and Greece.

Mr Gavin stresses that IMO will set high-level goals, but that classification societies will work out the specific design factors necessary to reach those goals, resulting in a situation where the process through which the rules and regulations governing the construction of ships are developed will not in principle be drastically changed.

"The goal-based standards discussion has been useful for the industry in that it has more clearly defined the respective roles of IMO and IACS as well as fostering closer co-operation between class, flag and IMO," says Mr Gavin.

"At no stage in the discussion was it denied that class holds the premier position in this industry as a repository of technical and historical information about ship structures, and at IMO, the existing interdependence of the Organization and classification standards was acknowledged and it was agreed that this relationship should be maintained."

Alongside the goal-based standards discussion is the ongoing dialogue concerning common Rules for tankers and bulk carriers within IACS.

"Goal-based standards may present a clearer way forward for class, but they pale in significance when compared to the imminent implementation of the common tanker Rules that ABS, Lloyd's Register and DNV have spent the last two years developing.

"The new Rules will apply to tankers of 150 metres in length and above and will do away with the potential for competition between classification societies on standards.

"The implementation of these Rules from January 1, 2005 may be the single most significant change to the concept of classification since its inception."