

INSA's Submission to 'International Commission on Shipping'

The term substandard shipping means ships, which are not in compliance with internationally agreed standards with respect to the hull, the main and auxiliary machinery, safety & pollution prevention equipment and the training and competency of the crews, thereby presenting a danger and risk to the life and property at sea and the marine environment. Substandard ships can originate as newly built or later in operation when the operational standards may become lower than those set internationally. Presently it is estimated that about 15 to 20% of the internationally operating fleet could become substandard under different circumstances at any time.

INSA is very well aware that the Shipowner bears the prime responsibility for the standard of his ships and their operations. The substandard ships exist mainly due to the shipowner going for short-term profits by unethical market competition and cutting corners on operational costs. An occasional and on-off deficiency discovered by PSC inspectors otherwise operating with proper certification and manning should not place them under substandard category.

All the other players like the Flag State, Port States, Classification Societies, Insurers, Shipbrokers, Shippers, Shipyards, Ship-repairers and Ship Financiers also contribute and are instrumental to a more or lesser degree to the substandard ships, despite unified international conventions, rules, regulations and guidelines being brought on by excellent efforts of the International Organizations like the IMO, ILO, UNCLOS, etc. Other NGO Organizations are also making constructive efforts in eliminating substandard ships, as these ships contribute to loss of life, loss of cargo, pollution and eventual economic loss. In order to eliminate the substandard shipping, it is clear that all the involved parties must play their roles effectively without prejudice and without vested interests.

Like any other Industry, Shipping is also a commercial venture. It is not expected of the shipowner to operate his ships without profit. Hence, unless he is able to operate in a competitive and profitable environment, the lure for reducing his operational cost for making a reasonable profit will make even a conscientious shipowner to at times bring down the standard of his ships. Further, though all the players in the scene, other than the shipowner, also contribute to the substandard ships, nobody other than the shipowner seems to be made accountable. The shipowner alone can not be expected to fight his lone battle against all the odds in eliminating substandard ships. This must change and all connected players must be made responsible and accountable for their respective areas of work. There can not be any dis-interested player in the total chain. In order to run their industry safe and efficient, the shipowners must organize themselves and cooperate on national, regional and international level to achieve a safe and profitable shipping industry. Seafarers have to play their important role. Without them ships can not move.

The most important need is to have a healthy shipping industry where the shipowner can work in a competitive and reasonably profitable environment. Every party connected with shipping other than the shipowner - the Flag State, Port States, Classification Societies, the Crew unions, the Insurers, the Shipbrokers, the Shippers, the Ship-financiers - all want their pound of flesh from the shipowner. All these parties must understand that they exist because of the shipowner. We find various articles written and spoken by all interested parties. But nobody seems to talk about a code of conduct for these parties. They bring in unnecessary demands to cover their own interests and profitability. These demands do not allow the shipowner to operate in a competitive and reasonably profitable environment and so he resorts to substandard shipping as a means to cut down his operating costs and, may be, also financing costs. Hence all concerned parties must ensure that the shipowner can remain healthy enough to operate a safe and environmentally friendly shipping industry. Otherwise substandard ships are bound to exist, if not in an international level, at least in a national level.

The Flag State and the Port States have the collective responsibility for the maintenance of the internationally accepted standards at sea. While it is the responsibility of the Flag State for implementation of the internationally agreed conventions, rules and regulations for the vessels under its Register, the Port State has the responsibility of checking and policing the foreign tonnage while they are in its jurisdiction. Thus the Port States augment and support the efforts of the Flag State in identifying and eliminating substandard shipping. Success and efficiency of this collective responsibility depend on unified interpretation and application of the international conventions, rules and regulations without partiality and prejudice. For eliminating substandard shipping, the States should have adequate resources for policing not only ships under their Registers, but also the foreign ships calling at their ports. Flag States should have a possibility to get assistance from IMO for training and improving their maritime administration and surveyors in order to be aware of the recent quality standards and practices in the marine field and technological & regulatory developments. Enhancing the regional cooperation of Flag states by sharing information on training, experience and expertise will pave the way for effective Flag State Implementation and Port State Control. Unbiased and uniform regulatory treatment to all ships, whether their own or foreign, is the only way to maintain the credibility of the Port States.

The classification societies provide the resources and knowledge for the enhanced safety and efficiency of the shipping industry. They have contributed to a large extent in bringing safety to ships and environment. Not only the underwriters, but also the Flag States rely on them for carrying out effective control on the ships on their behalf. They have an important role to play in eliminating substandard ships. For this they have formulated unified rules through IACS. But it is not to be forgotten that they have also competition among themselves for increasing their size which sometimes seem to affect their classification standards. Investigations of the accidents do bring out, on occasions, the lapses and failures of the classification societies. Commercial interests from classification societies are to be removed by more or less uniform classification fees. IACS should take steps in this regard as they have a major role to play in eliminating substandard shipping.

Substandard shipping can be made transparent and accountable by making publicly available relevant information on substandard ships by all concerned on inter-net web site. Registers and classification societies need to be transparent so that all concerned parties like charterers, PSC's, insurers, shippers etc can identify substandard shipping. Other than certain proprietary information, which can be given controlled access on agreed formats, for all other information absolute transparency must prevail. This will make the concerned party accountable and also identifiable and help in eliminating the substandard Registers and classification societies. The initiative for a global data-base like 'Equasis' by the European Commission and French Maritime Administration is welcome in this regard, but adoption of regional rules must be avoided to maintain real international nature of the shipping industry..

Flag of Convenience came into being because of commercially non-viable National Registers. Not that all FOC Registers are bad and in fact some of them are superior and well administered compared to certain National Registers. If FOC is considered an evil and contributes to substandard shipping, then the developed nations have to take the blame for it. They have started it and other developing countries are also following suit. However, whether it is FOC or National Register, it may not matter anymore in eliminating substandard shipping, as long as the PSC is effective, transparent, unbiased and unprejudiced in any manner.

Organizations like IMO and ILO have made a positive and lasting contribution towards the international conventions on Maritime Safety, Marine Environment Protection, Ships' Crew Training Standards and on board working and living conditions. Some of requirements of these conventions do show certain vested interests on the part of developed countries to promote their allied industries. Complicated rules and regulations involving high costs are a deterrent to effective implementation of these conventions. Hence, simple, effective and enforceable regulations can only be successful in eliminating substandard shipping. The present regulations seem to be in order and sufficient for a safe and pollution free shipping industry and further regulations should be deferred until the existing conventions are digested by the shipping industry. The success of these conventions lies not in increasing the dosage of the same medicine in a different bottle repeatedly, but in increasing the level of accession/ratification of these conventions and regulations by the States. The decreasing number of ships detained at various ports can measure the effectiveness of the success of these regulations.

The crew unions also have a part to play in eliminating substandard ships. The demands of crew unions and thus the crew costs are increasing year by year and it is getting unrealistic and unbearable for the shipowner. The crew costs by means of their wages and training and living facilities on board take a major share of the ship operating costs. This causes the shipowner resorting to cut corners on safe-manning and in employing non-union crew. Cooperation from the crew unions in this regard is a must for strengthening the shipowners hands for operating a safe and quality ship. The crew unions should identify shipowners who operate quality ships and be more active in protecting the financial and welfare interests of the crew by long-term agreements with these shipowners.

The shipowner must get a viable finance for acquiring and operating quality ships. It is the responsibility of the Flag State to provide this in its own national interest. The financier should have access to relevant information from classification societies, insurers and Flag & Port States to encourage their role. Thus they also keep a watch on the shipowner who is operating substandard vessels so that subsequent financial assistance can be denied to the erring companies.

The shipbrokers and the shippers can also contribute to the elimination of substandard ships. A code for 'chartering only quality ships' must be introduced among the shipbrokers. In the same way, the charterers must follow uniform vessel-vetting procedures and avoid commercial advantage by chartering substandard ships. Both these parties must have a better information-sharing between the Flag States and the classification societies for eliminating substandard ships. Similarly the Insurers should insist on ISM certifications and work through Flag Administration for better information-sharing.

With honest and sincere efforts it is possible to establish an international enforcement agency with neutral and well-qualified/trained inspectors/surveyors to inspect vessels internationally at random to have impartiality and uniformity of enforcement among Port State Controls, provided all I.M.O. Member Governments agree and support the establishment of such a super power agency.

Substandard ships can be discouraged with penalties for violation of conventions, rules and regulations. They can be levied higher port charges and taxes. Similarly quality and new tonnage must be given incentives by way of reduction of charges in these areas.

STCW 95 has made a start in establishing uniform level of competence among seafarers. It needs period of implementation to prove its worth. While penalties and incentives have their worth, education and training must receive equal importance.