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To Peter Morris  
From Jac W. Van Dijk  
[Jacvdijk@ozemail.com](mailto:Jacvdijk@ozemail.com)

Dear Peter,

Thank you for your email and I believe you have a more then interesting task ahead of you. Attached are my copyrighted comments, with the request that author and source are quoted . I am one of the few people, who have actively studied how to create an alternative service to the Classification Societies worldwide, as I was at the time in charge of a global inspection agency.

I am also am familiar with the internal mechanics of Classification Societies, not only technical but also on the marketing and administrative front. To prove that point I turned Bureau Veritas Australia around in one year from twelve years of losses into AUS\$ 500,000 profit. To achieve that I wrote a dynamic software, which helped me but for emotional reasons were not adopted corporate wide.

Ia m rushing these comments to you as I will be traveling until the end of the months. Many considerations are not mentioned and I would be happy to avail myself to further explain issues, to help you in your crusade.

Following my comments on your questions.

What are some of the issues to be examined?

- How can the activities of sub-standard shipping be made transparent and accountable?

JVD comment:

In Practical terms the Industry through means of regulations and Port State Control has gone far enough to expose substandard shipping. Even the Governments of the areas where these vessels operate are Signatories to Conventions, but the discipline in some of those Governments is not sufficiently executed. So one has to look at other Channels for solutions.

- Is the establishment of an international enforcement mechanism feasible? If so, how might it work?

JVD Comment

In 1982 I approached the IMO on this matter as Vice President of Societe generale de Surveillance, in charge of all technical and maritime affairs globally. Having worked in responsible positions in Classification Societies, I understood the weaknesses of operating in Classification Societies, where politicl issues at prevail over technical safety issues. A point often recognized by owners, who at times prefer a good relationship over a reduction in Survey charges, which are small in relation of the total annual operating costs of a vessel. I decided against it as the possibility of becoming an appointee of IMO to enforce rulings created more problems of internal discipline (without having a competitor) than revenue and internal politics within the SGS Group were worth.

- How can the financial and welfare interests of crew be more effectively protected?

JVD Comment

Of all questions this is the most crucial one. I have met destitute crews on board, very professional-non English speaking, luckily I can manage a few languages- but more or less abounded by their owners or bareboat charterers.

Here is where the ITF comes in. In Most OECD countries, the on-shore employment laws require payment of monthly paid employees by the 16 th of each month. No such thing in the Maritime Industries. So Could I suggest that wages not paid after 45 or 60 days, lead through action of the ATF straight away to arrest of the vessel.. Never mind the crewing agency , let owner/charterer and agency sue each other for non contractual compliance, in the meantime the ship is arrested. But now comes the crucial part, the local sheriff should have only two weeks to sell the ship, for any price and wages come first instead of port charges, This is a procedural National influence. I have seen ships where my principals offered to pay the wages to enable the vessel to proceed to the port of discharge. Procrastination or other reason kept the ship in port. When the ship is sold the crew gets put on a plane home. No wages. This is an avenue to study and to support . ILO and ITF should actively pursue this or similar avenue. ITF has some global representation, other wise this can be organized. Refer to author if necessary. The problem here lies with the lack of expediency in the ports where the ships are to be arrested.

- Can IACS play a more effective role?

JVD Comment.

IACS commenced its existence as a cozy club, to prevent proliferation of Classification Societies. It had an European Origin, but the moment it started to get some teeth, Non European Societies joined. I understand the workings of these typical European mechanism as I started, when in Europe, an Association of International Inspection Agencies, along similar lines. It becomes difficult, but not impossible to join the club. Thank Goodness they have now good rules and QA requirements. IACS still remains rather European (EU) minded, with their recent conflict around the disaster Atika.. Trends are rather regional, rumors have it that the EU will allow only EU classed vessels into their territory. The beginning of territorial segregation in a globalizing world?. One solution would be for the IMO to legislate their rules, so others can partake and be recognized. Of course this creates the problems discussed in the comments of the next question.

- Should the commercial incentive be removed from Class? If so how ?

JVD Comments

Most Classification Societies have financial management problems, Lloyds, Bureau Veritas and Det Norske Veritas have financial difficulties. ABS under their tax laws are a "not for profit organization" and had similar difficulties, until the present Chairman arrived and with a combination of computer technology and management skills turned it around in a dynamic service organization. As an aside the author, the only business graduate (INSEAD) in BV at the time, advised in 1978 his chairman, that Marine Services in Bureau Veritas were not sustainable over the long term. At that time I advised diversification. In 1979 Bureau Veritas' total revenue was for 85% represented by Marine Services, in 1999 it was 15%.

In management terms, the industry is technically mature and is solely dependent on marketing and customer loyalty and unfortunately, at times, lowering technical requirements is seen as a marketing effort.

- **Would business-related solutions that may involve all parties in a system of rewards for good performance be effective? If so how should it function?**

JVD Comments

All rating systems such as five star operators to one star operators, with bonuses etc. are only of a temporary nature and within two to three years, three star operators will have wriggled their way to a five star recognition.

- **Can the provisions of UNCLOS, as well as IMO and ILO Conventions be more effectively implemented? If so how?**

JVD Comments

In present circumstances you have only class and Port State Control. A next dimension would be to get crew to report on non compliances and non executed corrective action requirements to the local ITF representative which then alerts Port State Control. To have to competing inspection agencies to execute on behalf of IMO, ILO and UNCLOS would be very bureaucratic in Nature and consequently not effective.

- **Is it time to look at means of ensuring compliance with IMO standards other than more regulations and more rules ? If so, what are they?**

JVD Comments

The IMO is already soul searching and have certain reluctance to issue new regulation in their present trend of regulations. They would do better to set rules for flag administration, but have no in-house expertise in this matter. The best equipped person would be the Vanuatu Administrator. Also they could take over the IACS role by prescribing International Classification compliance requirements.

A real problem with IMO is that rules are written, in an excellent manner but by a generation of people, who were experienced and professional. These people lived in an era where a Master only became Master at the age of 40 or so, similar for Chief Engineers. And rules written applied to those contemporaries. Now we have master of 27 years of age, with no in depth experience. May be we should simplify the rules to the ways we operated Liberty and Victory Ships.

- **How can the effectiveness of existing IMO standards be measured?**

JVD Comments

Unfortunately by statistics only.

- **Can the IMO play a more active role in international safety regulation? If so how?**

JVD Comments

Not advisable, The Classification Societies have too much dominance and should be challenged by outside forces, like Port State Control, Crew and ITF and hopefully flag administrations.

- **How can the disinterested elements of "the Responsibility Chain" be persuaded to assume accountability?**

JVD Comments

The reality is if moneys(profits) are involved there always will be unscrupulous operators. At the time of writing 1500 to 2000 USDollars still buys trading certificates, P + I trip insurance and registration certificates.

- **Can a “Reward System” for responsible operators work?**

JVD Comments

I mentioned earlier, reward systems are only of a temporary nature.

- **Port State Control – how to maintain its credibility?**

JVD Comments

Continue its work and have it checked by ITF and Crew.

- **How can sub-standard registries and sub-standard classification societies be identified and effectively isolated?**

JVD Comments

Create pressure in the system, instead of policing, educate them to International (IMO?) standards.

- **Should a holistic approach, which embraces consideration of economic, ecological and environmental issues posed by sub-standard shipping in addition to human issues, be considered? If so, how would this be done?**

JVD Comments

This isa question of some great depth. A practical way and I have not thought this thru is that any ship over 15 years requires :

Double premiums (Insurance)

Entering into port, requires additional tugboats, to counter additional risk of damage to Port Assets.

Compulsory pilotage

Double Port Charges

Double Class fees

Twice yearly port inspections or more if required/requested.

- **How can flag States be assisted to implement the minimum standards required to operate a viable flag registry?**

JVD Comments

Let IMO prescribe Flag State requirements, get ILO and ITF to assist to enforce it.

Kind regards

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Principal.