

CHAMBER of SHIPPING of AMERICA

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August 9, 2000

The Honorable Peter Morris
Chairman
International Commission on Shipping
PO Box 162
Civic Square Canberra
Act, Australia 2614

Dear Mr. Morris:

The Chamber of Shipping of America (CSA) represents 18 U.S. based companies which own, operate or charter oceangoing tankers, container ships, and other merchant vessels engaged in both the domestic and international trades. The Chamber also represents other entities which maintain a commercial interest in the operation of such oceangoing vessels. We appreciate the opportunity to respond to your letter of May 29 enclosing an information paper on international shipping. Our members recently reviewed the paper and asked me to send you our thoughts.

The Chamber of Shipping has represented ship owner interests in the U.S. since the early part of the 1900's. Safety issues led to the formation of our organization, and they continue as a high priority. Recently, environmental protection issues have become a major focus of our work. Throughout the years, one of our concerns has been the commercial viability of ship owners. Commercial viability has many facets including maintaining competent, efficient crews. The maritime transport system must offer owners the opportunity to make a return on their investment. Substandard ships, whether measured by safety, environmental protection, crew, or other parameters, are unfair competition to ships operated by owners who meet or exceed basic international maritime standards and commonly accepted good practices.

Recognizing substandard ships and being in a position to effect change are two very different issues. Although ship owners form groups, such as CSA, for particular purposes, a substandard operator rarely chooses to voluntarily associate with such organizations or operators with high standards. We are in a disadvantaged position with regard to having an effect on a substandard operator. Additionally, we have little control over cargo interests who patronize the substandard operator.

We believe that governments, both flag state and port state, are in the strongest position to effect change. A ship must be registered somewhere, and she loads and discharges in ports. Flag states should be held accountable for the quality of ships flying their flags; port states should recognize their obligation to ascertain the quality of ships calling in their waters as a protection measure for their shorelines.

For a number of years, the IMO and ILO have been developing rules and regulations. The majority of ship owners comply with these rules. Although there are more rules, substandard ships still sail. It is frustrating for diligent operators to comply, time and again, with new regulations to find that the familiar outcries against substandard ships continue. It seems self-evident that better enforcement of the rules is necessary. A ship owner complying with the rules is disadvantaged by a substandard ship which somehow escapes the safety regime which has been crafted by the flag and port states. Given the extensive rules and requirements, it should be highly improbable that a substandard ship could continue to operate. Nevertheless, they do.

We have recently initiated discussions with the U.S. Coast Guard to identify "quality" ships which will receive fewer inspections. The personnel assets of the Coast Guard can then be targeted more towards where the most good can be achieved. This is definitely a move in the right direction.

We look forward to assisting the research initiated by the Commission and the CSA would welcome the opportunity to meet with you when you visit the United States.

Sincerely,

Joseph J. Cox

President