



NIPPON KAIJI KYOKAI

SUBMISSION TO ICONS
AUGUST 2000

ClassNK

PROFILE AND ACTIVITIES

Nippon Kaiji Kyokai, known as ClassNK or NK is a ship classification society. The principal work of the Society's expert technical staff is to undertake surveys to ensure that the rules which it has developed, are applied to newbuildings and existing ships to ensure the safety of the vessels. The rules cover not only hull structures, but also safety equipment, cargo handling gear, engines, machinery, and electrical and electronic systems among others.

By the end of May 2000, the Society had 6456 ships totaling 109.2 million g.t. under class. This figure represents approximately 20 percent of the world merchant fleet currently under class. Although based in Japan, ClassNK has worldwide representation through a network of exclusive surveyor offices. ClassNK's surveyors work in shipbuilding and repair yards and at ports across the world, wherever they may be called upon to examine the condition of a ship so that all of the Society's services are available worldwide. On November 15th 1999, Nippon Kaiji Kyokai celebrated the centenary of its foundation.

ClassNK is dedicated to ensuring the safety of people and property at sea, and the prevention of pollution of the marine environment. To achieve this mission ClassNK will:

Focus on delivering the highest quality classification services, by the highest quality personnel while maintaining its totally independent third party, non-profit status.

Focus on the development of relevant Rules, procedures and guidance, and maintain and develop its commitment to scientific and technological research, development and education.

Maintain and develop its global operations in line with the needs of those using its services.

Main Activities of ClassNK

ClassNK offers a broad range of services such as ship classification surveys, statutory surveys and certification on behalf of flag governments based on both international conventions, codes, national statutes, as well as ClassNK's own rules and regulations. They also include assessment and certification services of safety management systems of ship management companies as well as the quality systems of ship builders and related manufacturers as an independent third party. ClassNK also offers appraisal, consulting and supervisory services on both marine and non-marine related projects.

Ship Classification Related Services

Survey and registration of ships and offshore structures during construction
Survey and registration of ship installations, machinery and appliances of new ships
Survey and inspection of ships, offshore structures and related installations in service
Survey and certification services on behalf of flag state Administrations

Inspection of materials, equipment and similar products
Approval of service providers, manufacturers and manufacturing methods
Testing and inspection of material and other types of testing machines

Statutory Services

Statutory survey and certification services based on SOLAS, ILLC, MARPOL and other international conventions and codes (see International Convention Related Activities)
Audit and certification of safety management systems based on the ISM Code
Assignment of freeboard
Assignment of load limits for cargo handling appliances
Appraisal of grain loading
Activities concerned with the certification of freight containers

International Standards Related Quality System/Environmental Management System Assessment and Registration Services

Assessment and registration of quality systems based on the ISO9000 series of quality standards
Assessment and registration of environmental management systems based on the ISO 14001 standards

Technical Services

Technical consulting regarding ships and offshore structures
Appraisal and certification of ships and offshore structures
Inspection and certification of non-marine machinery and equipment
Tonnage measurement and certification services
Commissioned testing, research and computer analysis services

International Activities

ClassNK is one of the seven founding members of the International Association of Classification Societies, otherwise known as IACS. ClassNK has twice previously assumed the chairmanship and secretariat of IACS since its establishment in 1968 permitting the Society, along with its active participation in the various Working Parties and subcommittees of the organization, to make major contributions to the realization of the goals of the Association. NK assumed the chairmanship again from June 2000.

ClassNK has established committees in various regions of the world with the aim of exchanging views between the Society and members of the shipping and shipbuilding industries in each respective region on a wide range of issues of mutual concern.

These committees currently include regional and / or technical committees in the following locations: Hong Kong, Singapore (Southeast Asia), Korea, Indian, China, Philippines, Thailand, Greece and Denmark.

Quality Assurance of Society Services and Activities

The effectiveness of the worldwide quality system of ClassNK has been certified as conforming with the ISO 9001:1994 model for quality assurance by SGS ICS, Japan and has been registered with the Raad voor Accreditatie (RvA) of the Netherlands. It also has been found to satisfy the requirements of the IACS Quality Systems Certification Scheme. As a result, in addition to documenting that the quality system of ClassNK is fully in keeping with the requirements of IMO Resolution A.739(18) concerning authorization of organizations acting on behalf of Administrations, such certification also serves to demonstrate the dedication of the Society to providing services of the highest quality in which clients can place their full trust.

The Research Center

As part of its commitment to maritime safety, NK maintains a world class research center of more than 70 staff. The Research Center conducts research directly connected with the survey work of ClassNK and, at the same time, strives to foster the growth and training of researchers and surveyors. To this end, the Research Center conducts research and investigations in contact and cooperation with every section in the Head Office. The Research Center also conducts joint research with external bodies which have close connections with the activities of ClassNK such as the Shipbuilding Research Association of Japan and dockyards, and performs research on commission from them.

The Research Center consists of The Research Institute, the General Affairs Division and the Technical Investigation and Information Department.

The Research Institute is divided into the Hull, Machinery, and Material Sections, whose combined responsibilities include matters related to the research and development of technologies on ships and the management and collection of technical information, matters related to the education and training of scientists and matters related to the maintenance of machinery and instruments for research

The General Affairs Division includes administration and the Technical Testing Section, which handles matters related to inspection and certification work using standard testing equipment as well as matters related to technical testing work

The Technical Investigation and Information Department is made up of four sections: The Investigation Section, in charge of the investigation and analyses of casualties and cases of damage to ships, the Analyses Section, for Structural analyses and other technical analyses using computer programs and the development of computer programs for the work of the department, the Computer Section and the Report Section responsible for matters related to the publication of the List of Survey Status and the archiving of survey records for ships.

NK is currently constructing a new Information Center alongside the Research Center which will serve as NK's information warehouse and communications hub.

Specific Comments to the Points Raised by Commission.

Re: Competition among Classification Societies and the Quality of Services provided.

A number of self-regulating requirements, such as the IACS Code of Ethics, Quality System Certification Scheme, Transfer of Class Agreements etc. were established in the late 80s, following the common agreement among the member societies of IACS regarding the need for clear and specific self-regulation against the potential risk of inadequate quality ships being classed as a result of excessive competition. Most of all those procedural requirements are published and are readily accessible to anybody.

ClassNK believes that the societies competing with each other should be focusing their effort on the quality of services they provide. In the current climate of excessive newbuilding capacity and excessive fleet capacity world wide, societies must remain aware of the potential risks of promoting sub-standards if competing in the classification market, by compromising on technical aspects.

ClassNK believes it is important to note that IACS is the only body recognized by IMO as a developer and executor of technical rules, and thus we believe that it should have fundamental unified technical requirements where newbuilding plans and design are concerned and that all the technical background be disclosed to the public.

Re: Evaluation of IACS activities.

ClassNK, believes that while IACS contribution to safety in shipping industry has been outstanding, there is always more that can be done.

Three items for consideration would be:

- a) To encourage the stricter and firmer execution of routine surveys according to the current rules and regulations in force, rather than developing and adopting new regulations one after another.
- b) To achieve better data transfer among the member societies. IACS members should improve data/information transferability, especially in class transfer cases, where most dubious matters are likely to be at issue. It may also be necessary to further enhance survey requirements for class transfer.
- c) To further proceed on unifying technical requirements and their interpretations.

Re: Classification Societies outside IACS:

IACS requires that all its members must comply with the QSCS referred to in "1." Those failing to maintain the standard lose eligibility to remain members. IACS has maintained a policy of supporting and encouraging non members to work towards this standard through its associate member system. ClassNK has supported this concept in theory and in offering practical advice, assistance and formal training to such societies.

Nevertheless it should be noted that ultimately, neither IACS nor ClassNK are in a position to control the activities non-IACS classification societies since authorization of any classification society in statutory surveys or certification is the exclusive business of each authorization body, such as flag States. Similarly IACS has no influence on insurance or other shipping sectors as to their recognition or not of such societies.

ClassNK believes it is in the best interests of maritime safety to continue to support and encourage non IACS members to work towards higher standards, and believes that realistically IACS is the only body that can achieve this, although the mechanism may need review.

Re: ClassNK activities where the Society tries to eliminate substandard ships and/or shipping:

ClassNK's position in this concern is to encourage its surveyors to pay the best of their effort in survey activities within the existing framework of the requirements under current rules and regulations applicable.

The Society does believe that the maritime safety can be established with each single link in the "maritime safety chain" playing its roles as it's supposed, where ClassNK takes part.

Recently, IACS decided to further reinforce survey requirements for bulk carriers and oil tankers under so-called Enhanced Survey Program.

ClassNK believes that the Society has been performing and is prepared to perform the roles as it is expected or even to a higher standard.