

Comments obtained from All Japan Seamen's Union (JSU) June 2000

1. Problems relating to seafarers

There are more than 2000 Japanese-owned ocean going merchant vessels with more than 2000 GT, and 90% of which are FOC vessels. Japanese-flagged vessels are only 160 to 200. The expansion of FOC vessels has brought about the reduction of employment opportunity for Japanese seafarers (onboard the merchant fleet in overseas trade). At present there are about 5000 Japanese seafarers; however if the current globalization trend continues the number will eventually drop to only 2000. On the other hand, there are 35000 to 40000 foreign seafarers serving on Japanese-owned vessels. The wage cost for the unorganized and those covered by collective agreements are, respectively, one-tenth and one-fifth that of Japanese seafarers. This gap in the wage cost is a hindrance to the improvement of conditions of Japanese seafarers. Difference in costs for workers on shore is also widening.

A problem of the Japanese fleet is that more than 90% of the vessels have become FOC and that those covered by agreements with unions number only 1400. The accident rate of FOC vessels is 15 times higher than the Japanese flagged and this is a critical safety problem.

In order to improve the situation, a policy has been adopted to secure Japanese seafarers as well as Japanese flagged vessels. However, because of financial constraints on the part of the Japanese Government, financial support towards the policy has not been sufficient, thus making it difficult to achieve the objective to maintain Japanese seafarers. It is desirable that positive measures, such as the tonnage tax introduced in European countries, be laid down as an internationally coordinated policy. In this regard it should be noted that in Europe tax measures have already been taken to support seafarers and vessels of their nationality. Initiatives for the elimination of substandard shipping are also necessary.

In the past substandard meant technical problems associated with the over-aging of ships. However a major problem is now conditions/experience-related as the industry is after the short term profit with cheap and inexperienced seafarers. Therefore most of the newly built FOC (merchant) vessels are substandard in terms of technical competence of the crew. In other words the trend is toward demanding cheap seafarers to keep the high-level safety standards. According to Lloyd's, 80% of accidents are caused by human factors. In the future, more attention should be paid to the need to invest not only in the hard, technical aspects but also in the soft, human-related aspects. This cannot be attained by each state and firm separately. What is required, therefore, is an international standard on this question.

2. Questions relating to classification societies

Vessels that recently caused accidents, such as the *Nakhodka* and the *Erika*, were over 20 years old and had passed the class inspection. The authorization standards of classification societies must be in accordance with international conventions concerned. However it is doubtful whether those standards were actually in conformity with the convention provisions. In addition, in the post-accident investigation the questions should be asked whether the inspection by the class was carried out at all and whether any deficiencies were overlooked at the time of the inspection.

In any way, the process to check the inspection activities of classification societies (to see whether the class inspection is carried out in accordance with relevant international conventions) is necessary. Affiliation with IACS could be used as a criterion. The strengthening of IACS guidance might be another possible solution, but in the end the enhancement of the Port State Control function is essential.

A major aspect of substandard ship problems for Japan is the fact that some 300 to 400 substandard ships with 1500 to 2000 GT are operating in the Sea of Japan surrounded by China, Russia, Korea and Japan. These ships, unqualified to pass the inspection standards of their original flag states, get the authorization from classification societies of such FOC countries like Belize and Honduras, which have contact offices in Korea. Out of an average of 30 ships that Japan detains under PSC per month, 80% are of this kind.

There are all sorts of classification societies. Those which are substandard should be checked and regulated. Some of them should not to be admitted in the market.

With regard to Class NK, the Government entrusts the work to Nippon Kaiji Kyokai, which carries out the inspection activities on behalf of the Government. If at all possible, the Government itself should take on the inspection.

3. Implementation of international conventions and PSC enforcement

It is expected that ships with the certificate issued by governments and classification societies observe the provisions of relevant conventions. In reality many of them do not. Inspection by the government is important, but the strengthening of the PSC system, with stricter measures, is necessary.

International conventions have been adopted for regulating merchant vessels and fishing vessels. Most of merchant related conventions have come into force; on the other hand fishing related ones have not. One of the reasons is that major fishing countries, such as China, Japan and the Republic of Korea, have not yet ratified them. The ratification by these three countries will inevitably enhance the possibility of their coming into force, though it might bring along a demand for cutting down of standards. Therefore the question is how far we could demand those countries to ratify the conventions. Also not only developed maritime nations but also those providing seafarers should ratify relevant international conventions.

In addition to the strengthening of PSC system, a global system to regulate substandard ships has to be established. The IMO's FSI Committee has discussed the drafting of a convention on the regulation of substandard merchant ships. It was, however, rejected. Thus each country takes its own initiatives (eg., not to allow aged vessels to make a port call, make distinction of acceptable and unacceptable classification societies, etc.) to prevent accidents. The US, for example, applies strict domestic rules to vessels coming into its port regardless of their flag.

Until four years ago, there was no PSC action taken in Japan unless an accident occurred. However in light of the increasing number of serious accidents like the one of *MV Blair*, 57 full-time PSC inspectors were appointed four years ago (currently 62 inspectors) and some 300 ships are detained annually. Unfortunately their terms of reference are limited to the inspection of technical matters. The inspection relating to labour condition covered by ILO Convention 147 is the responsibility of the Labor Administration Dept. of the Ministry of Transport. In reality no inspection is carried out in this regard. Because of the limits in their competence, inspection in Japan is half-and-half. The integration of divided competences is desirable.

Detention is the ultimate measure authorized under international conventions. However ship owners, if their ships were detained, often stop the provision of foods, water and wages to the crew and abandon the ships. This is due to the lack of effective guidance on improving the situation, and sweeping measures addressed to the beneficial owners is necessary. In addition, the effectiveness of detention should also be enhanced by developing stronger cooperation among PSCs.

The FOC states take no measures to control their vessels. The capability of these states is down to nil, so that greater responsibility of beneficial owner states should be stressed. In case of bankruptcy, financial institutions should also bear the owner responsibility. In the charter contract, the acquisition of the ITF Blue Certificates and other specific standards, such as the guarantee of high standard, should be made obligatory.

There are cases where the cargo owner abandons cargo due to cost factor. The responsibility of the charterer in such cases should be clarified.

Some maritime accidents such as sinking cause secondary disasters. Some ship owners do not buy insurance or are unable to bear the salvage cost. In that case, the salvage would be done at taxpayers' cost. Stringent measures, such as the denial of access to the port of call by uninsured ships, would be needed.

4. Questions relating to possible reward system

In the past, insurance was calculated, based on the rate of accident occurrence, separately for vessels with Japanese seafarers onboard and for FOC vessels without Japanese seafarers, and was charged accordingly. However this system has been abolished, and since then the benefit of promoting Japanese seafarers has not been reflected in insurance premium. The reward system based on the difference in the insurance charge (i.e., lower charge for higher quality ships; higher charge for substandard ships) is desirable. In order to establish such a system, it is necessary to define what factors make ships "substandard".

5. Problems relating to fishing vessels

JSU is working on the eradication of the FOC and IUU (illegal, unreported and unregulated) fishing, and not on the upgrading of substandard vessels, from the viewpoint of management and sustainable use of living marine resources,

Japan supports the FAO action plan on the reduction of fishing capacity, and reduced the number of tuna fishing vessels by 20% (132 ships) in 1999. In addition, Japan is taking following measures:

- Prohibit Japanese seafarers from working onboard FOC vessels and those of states not signatory to relevant treaties.
- Ban on import of Atlantic bluefin tuna from states which undermine the ICCAT regulations.
- Introduce a certificate of origin for imported Southern bluefin tuna and Antarctic toothfish.
- Oblige trading companies/agents and transport business engaged in frozen tuna trade to report on their transactions.
- Get a commitment from Mitsubishi Shoji and Toei Reefer Line to stop trading and transporting FOC related fish.
- Request Taiwan to cooperate by reducing tuna boats by 10% (60 ships) by the end of 2000.
- Negotiate the repurchase and scrapping of 120 FOC tuna boats of Japanese origin (beneficially owned by Taiwanese). As of end of May 2000 some 70 boats have agreed to be repurchased.
- Publish the list of FOC fishing vessels in the website of the Fisheries Agency.

There is no FOC fishing vessel in Japan. A mixed crewing system, allowing foreign based crew, has been introduced for distant-water fishing vessels and some 4000 foreign seafarers, 75% of whom are Indonesian, have been accepted.

In the future, the main issue in the fishery sector is the eradication of illegal fishing and poaching. The inspection system under ICCAT should cover not only illegal fishing but also the cancellation of licenses from substandard vessels. Licenses should not be issued to those vessels, which are considered substandard. In Japan the Fisheries Agency is planning to set put up a new surveillance system. A resolute attitude on the part of the Government and an increase of ITF inspectors in relevant regions are desirable.

The JSU Fisheries Department is working on the basis of FAO recommendations and ITF action program, and not in line with that of Greenpeace International.

6. Cabotage

The cabotage system is costly but effective for securing safety. Therefore this should be maintained and expanded. In Japan the system is used for domestic (internal) shipping. Since the expansion of FOC vessels into the domestic shipping would inevitably raise safety problems, this must be blocked.