

# ICONS IN EUROPE

## LONDON

The Commission commenced its European hearings in London on 13 November 2000 with a meeting with the Greek Shipowners Cooperation Committee. Owners stressed that most owners act responsibly and that Class has a principal role in addressing the substandard operators. Discussions canvassed the need for Class to ensure adequate structural strength is built into ships, the impact of loading and unloading procedures on ship's structures, and the need for Class societies to concentrate on implementing their own standards fully. The Committee said an international approach is required to improve training standards for seafarers from the main labour supplying countries. Other issues raised included rewards for good operators, the responsibilities of management for ensuring a proper approach to safety, improved targeting of port state control inspections, and the need for Flag States to ensure they have more proactive systems to protect seafarers from abuse.

The Commission continued its consultations with a private meeting with P and I insurers where they were briefed on the measures being taken by UK P and I members to consult with Class on ways to improve safety in the shipping industry. These include exchanges of information when vessels change Class, and discussions on opportunities for common vetting inspections.

On 14 November, the Commission held a public meeting in London hosted by the UK Department of the Environment, Transport and the Regions. The meeting was well attended by representatives of seafarers' unions, shipowners and operators, insurers, shipping agents, government maritime authorities, the IMO, cargo organisations, Class societies, missions to seafarers, the Nautical Institute, academics and the shipping media. The UK Minister for Shipping, Mr Keith Hill, addressed the meeting on initiatives being taken by the UK to promote quality shipping and called for positive, radical measures to address substandard ships and "rogue Flag States".

The public meeting explored a wide range of issues involving the responsibilities of the various players in the maritime chain. Of particular importance were the roles of Class, Flag States and owners as well as of cargo interests in chartering ships. Several representatives called for the industry to take responsibility for demonstrating leadership, noting that quality shipping can have commercial benefits. Particular concern was expressed about low training standards for seafarers in some labour supply countries and the prevalence of fraudulent certificates. Support was given to greater sharing of information on ship standards and incident investigation reports among commercial partners and port state control regimes. There was concern that legal advisers persistently limited open discussion of shipping incidents to minimise liability, which tended to constrain debate and learning from accidents.

Other areas of concern were the employment conditions for modern seafarers, which even on quality ships tend to induce fatigue and isolation among seafarers, and the limitations of current ILO conventions applying to seafarers. The meeting concluded with various suggestions for improving quality in shipping, particularly through pressure on Flag States and international organisations from regional initiatives in the European Commission, consistency in port state control regimes, improved transparency, alternative liability regimes and training responsibilities, improved public and political awareness of shipping issues and promotion of the commercial benefits and incentives for quality shipping.

The Commission's consultations in London concluded with a private meeting with the Company of Master Mariners.

## **BRUSSELS**

On 15 November the Commission moved to Brussels for discussions with the European Commission about measures being developed following the Erika sinking, and the EQUASIS database. Commissioners also met with the European Shippers Council where it learnt of the Council's Code of Conduct and development of best practice standards for shippers in selecting ships for carriage of their cargoes, including the human element.

## **NORWAY**

The Commission undertook private discussions in Oslo on 16-17 November with Norwegian shipping interests.

INTERTANKO briefed the Commission on its systems approach towards quality shipping, including its procedures for maintaining quality performance from its members and cooperation with the European Commission and other organisations to improve information transparency and accuracy. The lack of adequate port waste reception facilities, consistency of port state control, the importance of consistency of Class standards and measures to improve the treatment of crews were also discussed.

The Norwegian Shipowners Association addressed the unacceptable competitive advantages derived from substandard shipping and noted its policies to encourage responsible Flag States and transparency of information on quality and substandard ships. The Association briefed the Commission on its measures to improve seafarer training through cooperative ventures with labour supply countries, and emphasised the importance of the STCW "white list" to address problems of fraudulent certificates. Other matters discussed included the role of Class, means to promote a "flight of quality shipping" from underperforming Flags, incentives for green ships and quality operators, and better targeting of companies rather than individual ships.

The Central Union of Maritime Underwriters provided an overview of the operation of the maritime insurance market, and discussed the impact of the human element on claims and improvements to databases for assessments of risk.

The Norwegian Maritime Directorate provided the Commission with an overview of how quality in shipping can be addressed through a transparent and targeted regulatory system that reduces regulatory burdens for good operators. Emphasis was placed on ensuring a proper safety culture and systems exist in companies and that regulatory effort and penalties are directed at those companies that do not meet fundamental ISM requirements. Concerns were expressed about the weight of current regulations, the relationships between Class and Flags, and legal obstructions to transparency of information, particularly regarding incident investigations.

The Commission was given a briefing from the Norwegian maritime unions on the nature of crewing on Norwegian Flagged and controlled fleets and the Norwegian fund to assist abandoned seafarers.

The main concerns were the aging profile of shipping industry personnel, difficulties in attracting new entrants into the industry and the impact for future competency of seafarers, particularly in engineering.

Meetings in Norway concluded with discussions with DNV on the role of Class, particularly the DNV approach in supporting its surveyors in application of quality standards. Matters discussed included the commercial pressures on Class, the possibility of regulation of Class if Class is perceived as not performing, the shipping industry's requirements for standardised Class rules, the role of IACS in providing leadership and guidance to Class societies, improved transparency of Class information, and the liability of Class for its work on behalf of Flags and shipowners.

## **GENEVA**

The Commission moved to Geneva where it held joint discussions on 20 November with the International Labour Organisation and the OECD on the work programs of both organisations to improve quality of shipping. The Commission learned of the ILO's conventions and recommendations for seafarer working conditions, the monitoring and complaint processes and various research activities conducted by the ILO. The need for review and consolidation of ILO conventions and improvements to port state control provisions for labour matters were noted, as was the recent program to promote "decent work" in the maritime industry, particularly in countries with sizeable fleets and the major labour supply countries. The ILO also discussed its research on blacklisting and conditions in the fishing and ship breaking industries.

The OECD advised the Commission of its current work to identify the commercial links in shipping and influences on quality and support measures provided by Flag States. The OECD also described its Action Plan for quality shipping which aims primarily to improve the exchange of information among commercial and government interests, and the research on comparative advantages of complying with international environmental standards.

## **ATHENS**

On 21-22 November the Commission moved to Athens where it met with the Hellenic Coastguard, the Hellenic Register of Shipping and the Union of Greek Shipowners in private meetings.

The Hellenic Coastguard gave a detailed presentation on its roles and responsibilities for shipping matters, including measures to improve application of international regulations, training and education of Flag state and port state control inspectors, training of seafarers and the fund to taking care of abandoned seafarers. Other matters discussed encompassed the relationship between the IMO and EC on shipping regulation, improvements to data transparency, roles of Class, mechanisms to encourage improved Flag state performance, policies to improve the competitiveness of the Greek Flag, fostering employment of seafarers and development of maritime industries.

The Hellenic Register of Shipping emphasised the importance of implementing the ISM Code and STCW Convention, and noted the developments in implementing the Code in Greece. The Register noted measures taken to improve its relationships with Class. Other matters discussed included the influence of government subsidies for shipyards on choice of Class, possible amendments to liability conventions to improve Class and Flag performance, and the need for

more systematic training and specialisation of surveyors as ship technologies become more complex.

The Union of Greek Shipowners noted the importance of international measures for regulating ship standards and pointed to the increasing numbers of inspections as a source of pressure on ship managers and crews. Of particular concern was the reliance of owners on Class to ensure appropriate standards are met, and that application of liabilities for negligent performance of various parties should be commensurate with the rewards from the activity. Also discussed were the need to generate pride and public understanding of the role of shipping, encouragement for quality among Flag States and the need for ship owners to have a forum in which to discuss matters with their Governments. The worldwide problem in obtaining qualified crews was raised and Government measures to attract and train more Greek seafarers were identified. It was suggested that the developed world could provide more assistance to the developing countries to train seafarers. There also was a call for more standardisation of minimum strength rules for ship design and construction.

The Commission concluded its meetings in Greece with a visit to the Helmepe centre where it learned of the centre's environmental awareness, training programs for seafarers and its innovative awareness programs for schools.

## **CYPRUS**

More private meetings were held on 23-24 November in Cyprus with the Department of Merchant Shipping, Colombia Ship Management, the Cyprus Shipping Council and Cypriot maritime unions.

The Commission was briefed on the development of the Department of Merchant Shipping and improvements to the quality of its Flag state activities in recent years, including accession to all relevant marine safety, environmental and labour convention, control and authentication of seafarer certificates and expansion of survey and inspection resources. The close working relationship between shipowners/managers and the regulators was seen to be an important influence on developing a quality approach to safety. Monitoring of Port State Control statistics and the performance of Class as Recognised Organisations for the Flag State were also considered important. The Department also briefed the Commission on the operation of the Cypriot fund for assisting abandoned seafarers on Cypriot ships.

Meetings with Colombia Ship Management and the Cyprus Shipping Council identified the key role of owners and ship management agencies in promoting quality shipping. Owners and managers who are committed to quality can retain commercial advantages by avoiding costly accidents and incidents and reducing additional costs of compliance with regulations. Measures taken by reputable operators to recruit and train crews and to offer stable working arrangements and career paths for multinational crews were identified. Owners and managers also can influence Flags and Class societies to implement quality standards, and it was considered important to have opportunities for two way communications between owners and Flag state authorities for exchange of information and expertise. There was support for transparency of information, provided it is accurate, as well as for tough action against substandard operators. There was concern about Class hopping and support for measures to encourage Class to improve its performance.

Discussions with the maritime unions concentrated on training and recruitment of seafarers. Difficulties in attracting Cypriot nationals into the industry were noted. The Cypriot fund to protect seafarers on Cypriot Flag ships was seen as an effective mechanism to assist seafarers with repatriation.

## **LONDON**

The Commission completed its consultation phase in London on 27 November with private meetings.

The International Chamber of Shipping described its work with a range of other organisations to improve international legal frameworks for labour conditions, training and certification. Other issues canvassed included support for transparency of data as an aid to shipping interests, difficulties for owners in verifying authenticity of crew certificates, the need to continue to develop ISM implementation, the reliance on Class professionalism by both ship owners and Flag States, and the need to provide effective mechanisms for assistance to abandoned seafarers.

The Malta Maritime Authority advised the Commission on steps being taken by the Maltese authorities to implement legal and administrative mechanisms that support better quality among ships on the Maltese Flag. The Authority also supported improvements in the operation of Class societies acting for both owners and Flag State authorities.

Deutsche Schiffsbank described the trends in shipping finance, including the priorities accorded by financiers in assessing and selecting shipping companies for loans.