

MEMO TO:
Hon Peter Morris, Chairman
International Commission on Shipping

From: Tor-Chr. Mathiesen
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SAFETY AT SEA – A PERSONAL VIEW ON SOME IMPORTANT ISSUES

PREAMBLE

A meeting was held on November 17 with the International Commission on Shipping. The purpose of this memo is to give some further views on some of the issues, discussed at this occasion.

INTRODUCTION

In the aftermath of the tragic "ERIKA" casualty, many initiatives have been introduced by EU (Package 1 and 2) as means to eliminate the substandard shipping problem. Some of the initiatives are also on the agenda of IMO and will lead to both new and revised regulations. IACS has also followed up with new and revised technical as well as procedural requirements.

All developments under way are clearly demonstrating that the maritime safety regime is characterised by a "blame culture" rather than a "safety culture".

The ISM Code, previously considered as a most proactive safety instrument, seems to be completely forgotten in the ongoing discussion.

Several of the initiatives taken are well founded and should be followed-up. However, if we do not attack the root cause of the problem, namely lack of management control, we are not creating a basis for a lasting cultural change. Rather we are increasing the economical burden on the industry through the introduction of more and more regulations which are having limited effect. We have to get the ISM Code "in from the cold"!

THE MARITIME SAFETY REGIME

There are many players on the shipping scene who are affecting safety and quality, directly or indirectly, through their policies, requirements, etc.

Role and function of key players such as Flag States, Port States and Classification Societies are coming under intense focus in the aftermath of casualties. There are calls for radical changes of the system, calls for an operational role of IMO etc. I do not see that another system will lead to improvements. There is no need for "re-inventing the wheel". The reason why the safety net they are representing, is not functioning properly, is due to bad performance which again means lack of management control. They are not abiding with all the safety instruments they have agreed to. This non-compliance should be attacked which certainly is easier to say than to do.

Let us take one example, namely acceptance by Flag States of Recognised Organisations (RO). With the important role of the ROs, it is worrying to see that major Flag States are accepting as ROs, classification societies not fulfilling the criteria as laid down by IMO. A White List may be

difficult to establish. However, a first step could be to include in EQUASIS a list of all ROs accepted by the Flag States, combined with a list of inspections and certificates they are authorised to do/issue on behalf of each Flag State. Such a list will tell a lot.

Flag States are having administrations being ISO 9000 certified, why not have voluntary ISM Certification Scheme for Flag States?

We have not to forget that the owner is the one ultimate responsible for safe operation of his ships. More inspection and control will have effect though it is less cost-efficient than strong emphasis on the ISM, but are affecting negatively those "keeping their house in order". This calls for more targeting of the non-performers – also by the classification societies. The owner demonstrating good management control, through a well functioning ISM system, should benefit from that fact through tailor made survey programs with less inspections.

THE CLASSIFICATION SOCIETIES

The classification societies have been in particular focus throughout year 2000. All societies are "put into the same box" more or less, though there are some distinction between those being members of IACS and those who are not.

The discussion around and the attention to the classification societies, are clearly showing that they are considered to be the main pillars within the maritime safety regime. The product, that the societies are selling, is confidence in their certificates. Apparently they have lost some of the confidence built up during the 90's. We have to restore the confidence, however, confidence is easier to loose than to build up.

The major challenge for a classification society is to deliver professional services of consistent quality world-wide. Continuous training/retraining/qualification are important elements in this respect. However, proper management control and support are equally important.

Quality management systems with clear objectives, focusing on continuous improvement, are thus an important tool for the classification societies to meet expectations and to develop a safety culture. Please note that a safety culture in shipping is dependent upon such culture to be demonstrated by all players – not only the owners. "The proof of the pudding lays in the eating", which means that the audits on the societies – whether external or internal – should include vertical contract audits.

Classification societies are criticised for being commercial organisations. However, most of the societies are having ideal objectives and are not distributing any profit. If you are a quality organisation you need to keep your house in order financially as well. You need a certain size to be able to maintain a world-wide infra structure, investments in training, in R&D and IT. To get size/market and a proper financial position by lowering standards are very short sighted. The societies survival is dependant upon delivery of professional services of consistent quality world-wide. Thus they are and should be commercial in the positive meaning.

IACS

In the early 90's there was a shift in the operation of IACS. A Permanent Secretariat was established and a Quality System Certification Scheme (QSCS) was introduced. Many safety initiatives have been introduced and we have seen a development with increased focus on the members' performance.

However, in the very last years the positive development has slowed down, while the expectations to the societies have increased. IACS has not been very active in the safety debate on the international safety scene. Furthermore, they have been more reactive than proactive. I will not make an analyses in this respect. However, we have to bear in mind that IACS have small and large members, members with long and members with limited experience, state-owned members enjoying monopoly in their home countries (as also some EU societies are enjoying), some are private foundations/charities, some are more national than international organisations. In view of these conditions, and from my 30 year experience with IACS, I feel that there is a strong for weighed voting rights. This is needed if we want IACS to become a stronger spokesman for the members to the benefit of the industry. They are in a unique position with their competence and experience as standard setters and following-up of a more than 90% of the world fleet(in grt.). .

IACS has to reconsider its strategy on short and long term basis. Furthermore, the operation/organisation has to be reconsidered. A rotating one year chairmanship has played out its role. If IACS wants to be dynamic, to respond proactively, to be a standard-setter, to strengthen self-regulation, etc. a paradigm shift is needed. Is this possible or will we see a development of the classification societies becoming "inspection societies" only, which would be a tremendous loss to the maritime safety regime. Thus they have to take the challenge.

I will also add that from the criticism voiced against the societies over the last year, they have individually, as well as collectively through IACS , a challenge to continuously inform the politicians, the media and the public at large about their operations and developments – not only after casualties. Regrettably "the only good news in shipping are the bad news".

THE ISM CODE

My views on the ISM Code are well known (see separate Attachment), and will not be repeated. However, a lot of experience is available and should be used in the further implementation process, as well as in the training of the personnel – both onshore and aboard – in the shipping companies. The classification societies, being the external auditors, have a great challenge in the respect. We have to keep the pressure on the implementation by remembering that July 1, 1998 was only the beginning.

At this occasion I will point out that experience show

- * that there should be annual audits for SMC,
- * that the same society undertaking class and statutory certification, should also do SMC,
- * that serious deficiencies should lead to re-audit for SMC and DOC.

When this is said I want to add that I see a professional executed audit to be an opportunity to give feedback and motivate the companies.

TRANSPARENCY

Transparency is seen by many as an important tool in eliminating sub-standard shipping.. I agree that it is one of several means needed.

There are suggestions for entering "everything" on the Web. Certainly more factual information could be entered into, for example EQUASIS. IACS together with the industry should address this issue. However, a lot of information is on a form and character that it can only be available to professionals in a business context. We have also to avoid that the quest for more transparency is "drying up" information. Another "fact" is, unfortunately, that reports from ships found in a deplorable condition seem to indicate that "everything is fine".

What should be available now is the complete status of all class and statutory certificates of all ships with international certificates.

FINAL REMARKS

The politician reaction to outcry from media and the public in case of casualties are to respond with more regulations. How can we teach them about alternative ways to achieve acceptable safety in a more cost-efficient way than only putting mistrust/blame on all players and adding more regulations?

Furthermore, the classification system is unique in the way the feedback from inspections, surveys, testing, R&D, etc. is functioning. Thus we should support the system, however, in the same time press for adaptation to new realities and expectations.