

TANKER SAFETY CONFERENCE

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ADOPTING A SYSTEMATIC APPROACH TO TANKER SAFETY

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**CHAIRMAN: FIRST INTERNATIONAL GROUP OF COMPANIES
CHAIRMAN: INTERTANKO PUBLIC RELATIONS & COMMUNICATIONS
COMMITTEE**

HISTORY HAS MANY DEFINING MOMENTS MOST OF WHICH ARE NOT RECOGNISED AS SUCH AT THE TIME.

THE SOONER THEY ARE RECOGNISED, THEN THE SOONER THE CHANGES THAT THEY INEVITABLY BRING ABOUT, CAN BE IMPLEMENTED.

THE TANKER INDUSTRY HAS HAD SEVERAL SUCH DEFINING MOMENTS IN ITS 100 YEAR HISTORY AND INTERTANKO IS SPONSORING THE PUBLICATION OF A NEW BOOK ON TANKER HISTORY TO BE PUBLISHED EARLY NEXT YEAR WHICH WILL HIGHLIGHT SOME OF THESE MOMENTS.

MORE IMPORTANTLY THE TANKER INDUSTRY IS ONLY THE SEABORNE TRANSPORTATION SERVICE OF THE OIL INDUSTRY WHICH IS THE SINGLE MOST IMPORTANT LIFELINE TO SUSTAINING HUMAN EXISTENCE IN THE MODERN WORLD.

AS SUCH THE TANKER INDUSTRY HAS THE UNIQUE RESPONSIBILITY OF BRINGING OIL, THE WORLDS MOST VITAL COMMODITY (AFTER WATER) FROM THE REMOTE AREAS OF THE WORLD WHERE CREATION PLACED IT TO THE AREAS OF CIVILISATION WHERE MAN HAS CHOSEN TO LIVE.

IF WE ALL LIVED ON TOP OF OUR OWN OIL WELL LIFE MIGHT BE A LITTLE SIMPLER, BUT PERHAHPS LESS PLEASANT.

TANKERS TRANSPORT APPROXIMATELY 50% OF WORLD OIL CONSUMPTION WHICH WILL CONTINUE TO INCREASE UNLESS NEW SOURCES OF OIL ARE FOUND WITHIN PIPELINE RANGE OF THE CONSUMING MARKETS, OR UNTIL ALTERNATIVE ENERGY SOURCES REPLACE FOSSIL FUELS.

SOME 5,000 TANKERS OF MORE THAN 10,000 DWT TRANSPORT 2.25 TRILLION LITRES OF CRUDE OIL AND 1.75 TRILLION LITRES OF REFINED PRODUCTS EACH YEAR AND ACCOUNT FOR NEARLY 50% OF ALL SEABORNE TRADE.

EUROPE ALONE IMPORTS 710 BILLION LITRES PER ANNUM (NEARLY TWICE THE UNITED STATES AND 4 TIMES JAPAN).

50% OF EUROPEAN OIL IMPORTS ARE SHIPPED LONG DISTANCE BY SEA, 25% SHUTTLED IN FROM THE NORTH SEA AND THE REST THROUGH PIPELINES.

THERE ARE MORE THAN 20,000 CALLS AT EUROPEAN PORTS BY TANKERS EACH YEAR, EXCLUDING THE VERY BUSY SMALL COASTAL TANKER TRAFFIC.

IT IS WITH THIS BACKGROUND THAT TANKER SAFETY SHOULD BE VIEWED.

WITH ALL OF THIS ACTIVITY AND GIVEN THE HAZARDOUS AND UNPREDICTABLE NATURE OF THE SEA, THAT THE RECORD OF TANKER SAFETY SHOULD BE JUDGED.

99.9986 % OF ALL OIL CARGOES LOADED INTO TANKERS ARRIVES SAFELY AT THE END OF THE VOYAGE.

THE AMOUNT OF OIL CARGO SPILT BY TANKERS EACH YEAR IS FAR LESS THAN THE AMOUNT OF GASOLINE NEGLIGENTLY SPILT BY DRIVERS IN THE FORECOURTS OF PETROL STATIONS WHEN FILLING THEIR CARS, LESS THAN THE AMOUNT OF OIL DISCHARGED INTO WASTE WATER BY DRIVERS DRAINING THEIR SUMPS AND A SMALL PERCENTAGE OF THE WASTE DISCHARGE OF SHORE BASED INDUSTRY'S, ALL OF WHICH EVENTUALLY ENDS UP IN THE OCEAN AND ECO SYSTEMS.

HOWEVER JUST AS ONE BAD APPLE ROTS A BARREL, ONE TANKER OIL SPILL TAINTS AN ENTIRE INDUSTRY.

THE TWO MOST NOTORIOUS ACCIDENTS AND THEREFORE DEFINING MOMENTS OF RECENT TANKER HISTORY ARE THE EXXON VALDEZ IN 1988 AND THE ERIKA IN 1999.

ONE WE HAVE ALREADY RECOGNISED AS DEFINING, AND THE OTHER WE ARE STILL COMING TO TERMS WITH.

WHERE DOES THIS LEAD US TO IN CONSIDERING OUR THEME OF TANKER SAFETY?

FIRSTLY TANKERS ARE INHERENTLY SAFE SHIPS. THEY CARRY LOW DENSITY LIQUID CARGOES WHICH ENHANCE THE SHIPS PHYSICAL FLEXIBILITY ENABLING THE TANKER TO DEAL WITH THE RIGOURS OF THE OCEAN MORE EASILY THAN MOST SHIPS.

TANKERS RARELY SUFFER FROM STRUCTURAL FAILURE WITH THE RECEPTION OF THE POORLY MAINTAINED AND BADLY OPERATED FRINGE ELEMENTS OF THIS INDUSTRY.

LOSS OF LIFE IS FORTUNATELY ALSO A RARE OCCURANCE IN THE TANKER INDUSTRY WHICH GIVEN THE NATURE OF THE CARGOES CARRIED IS PERHAPS SUPRISING BUT ALSO A TESTAMENT TO THOSE WHO OWN AND OPERATE TANKERS.

NONE OF THIS MEANS THAT THE TANKER INDUSTRY SHOULD BE COMPLACENT BUT IT IS SURELY TIME THAT ITS SAFETY RECORD IS RECOGNISED AND ITS OPINIONS LISTENED TO WHEN IT COMES TO THE INTRODUCTION OF NEW LEGISLATION RESULTING FROM A TANKER ACCIDENT.

THE EXXON VALDEZ WAS A STRUCTURALLY EXCELLENT SHIP THAT HAD AN ACCIDENT CAUSED BY HUMAN NEGLIGENCE.

THE RESULTING LEGISLATION, OPA 90, REQUIRED THE INDUSTRY TO INTRODUCE DOUBLE HULLS IN CERTAIN TIME FRAMES ON ALL TANKERS.

THIS LEGISLATION IGNORED THE FACT THAT IF THE EXXON VALDEZ HAD BEEN A DOUBLE HULLED SHIP, SHE WOULD PROBABLY HAVE SPILT NO LESS OIL, AND BECAUSE OF THE SIMPLICITY OF THAT LEGISLATION IT HAS POSSIBLY ADDED TO THE DANGERS OF TANKER TRANSPORTATION BY FAILING TO DEAL WITH THE ISSUES OF GAS IN THE DOUBLE SPACES, IGNORED THE NEW STRUCTURAL STRESSES CREATED BY DOUBLE HULLS AND FAILED TO EXTEND THE DOUBLE HULLS AROUND THE ENGINE ROOM AND BUNKER TANKS.

LET ME PAUSE FOR A MOMENT ON THE SUBJECT OF BUNKERS. FAR MORE MARINE POLLUTION IS CAUSED EVERY YEAR BY SPILLAGE OF BUNKERS FROM NON-TANKER SHIPS THAN CARGO SPILLS FROM TANKERS.

BUNKER FUEL, HEAVY DIESEL, IS ONE OF THE MOST POLLUTING SUBSTANCES PRODUCED FROM CRUDE OIL, AND YET ALMOST THE ENTIRE WORLD FLEET OF SHIPS, COMMERCIAL AND MILITARY, USE IT AND THEREFORE CARRY IT.

IT IS USUALLY CARRIED IN AREAS OF A SHIP MOST VULNERABLE TO DAMAGE IN THE EVENT OF GROUNDING AND COLLISION AND PROTECTED ONLY BY THE OUTER SKIN OF THE SHIP.

IT IS INTERESTING PERHAPS TO SPECULATE WHAT WOULD HAVE HAPPENED IF IT HAD BEEN A VERY LARGE CONTAINER SHIP THAT HAD GONE AGROUND OFF THE COAST OF NORTH WEST FRANCE LAST DECEMBER AND SPILT ITS BUNKERS, WHICH MAY NOT HAVE BEEN MUCH LESS THAN THE AMOUNT SPILT BY THE ERIKA.

WOULD WE HAVE HAD CLARION CALLS FOR NEW TANKER LEGISLATION, WHICH FOCUSED ON TANKER AGE AND SINGLE HULLS OR WOULD THERE HAVE BEEN A MORE MEASURED APPROACH TO PREVENTING OIL SPILLS BY WORKING WITH THE SHIPPING INDUSTRY TO RELOCATE BUNKERS AND CONTAIN THEM WITHIN MORE PROTECTIVE SURROUNDINGS?

THE ERIKA WAS THE DEFINING MOMENT THAT HAS BROUGHT US ALL TOGETHER TODAY AND AN ACCIDENT THAT HAS FOCUSED THE MINDS OF EVERYBODY IN AND AROUND THE TANKER INDUSTRY AND IN THE CORRIDORS OF VARIOUS EUROPEAN GOVERNMENT FOR THE LAST 9 MONTHS.

WITHIN INTERTANKO WE HAVE HAD INTENSIVE DISCUSSIONS AT COMMITTEE LEVEL AND RECOGNISE THE WIDELY DIFFERENT VIEWPOINTS OF OUR MEMBERSHIP AS TO AGE DISCRIMINATION AND SINGLE HULLS.

WE HAVE MET WITH THE EUROPEAN COMMISSION ON SEVERAL OCCASIONS AND EXPRESSED OUR VIEWS ON PHASING OUT, SINGLE HULLS AND CLASSIFICATION SOCIETIES.

WE HAVE MADE DETAILED SUBMISSIONS TO I.M.O. ON THE PROPOSED AMENDMENTS TO MARPOL 13G IN WHICH OUR OVERALL PLEA WAS FOR

SIMPLICITY AND AN URGENT NEED TO PRODUCE A SINGLE MODEL FOR DISCUSSION WITH A TIGHT TIMETABLE FOR AGREEMENT TO BE ARRANGED.

FURTHER MORE WE SUGGESTED THAT ANY PHASE OUT AND COMPLIANCE WITH DOUBLE HULL REQUIREMENTS BE AMENDED TO BETWEEN 2010 AND 2015 PARTICULARLY AS MOST OF THE SHIPS INVOLVED HAVE NO STRUCTURAL OR OPERATIONAL PROBLEMS AND THEIR ONLY GUILT IS AGE OR THE SINGLE HULL.

WE ALSO CONSIDER THAT THERE IS NO SAFETY OR ENVIRONMENTAL REASON THAT SINGLE HULL TANKERS BELOW 20,000DWT SHOULD NOT BE SUBJECT TO SOME RELEVANT MARPOL REGULATIONS AND THAT THEY SHOULD BE REQUIRED TO COMPLY WITH SIMILAR REQUIREMENTS AS LARGER TANKERS.

ABOVE ALL HOWEVER WE BELIEVE THAT A PHASE-OUT POLICY IS NOT NECESSARILY THE MOST APPROPRIATE REMEDY FOR TANKER ACCIDENTS AND THAT WHILST AGE OF ANY PIECE OF MECHANICAL EQUIPMENT CANNOT BE IGNORED, IT IS NOT THE MOST COMMON CAUSE OF TANKER ACCIDENTS.

ONE OF THE MAJOR PROBLEMS FACING THE EUROPEAN COMMISSION AND INDIVIDUAL GOVERNMENTS WHEN CONSIDERING THE WHOLE SUBJECT OF TANKER SAFETY IS THE VESTED INTERESTS THAT ARISE AND STRIDENTLY PRESENT THEIR CASES THROUGH VARIOUS SHIPPING ORGANISATIONS, THUS SERVING ONLY TO CONFUSE THE COMMISSION AND INCREASE THEIR MISTRUST OF OUR INDUSTRY. FROM THE OWNERS OF OLDER SINGLE HULL SHIPS VERSUS THOSE WITH NEW DOUBLE HULL SHIPS TO THE OIL COMPANIES WHO SEEK TO AVOID ANY RESPONSIBILITY OR LIABILITY THE LOBBYING IS INTENSE.

THE ONE OVERRIDING FACTOR IS THAT THE GREATEST WEAKNESS IS ENSURING SAFE TANKERS IN THE FUTURE IS THE FAILURE OF THE INSPECTION REGIME.

WITHOUT AN EFFECTIVE, RELIABLE AND COMMERCIALY INDEPENDENT PROGRAMME OF SHIP INSPECTION ANY OF THE PROPOSED NEW REGULATIONS ARE WORTHLESS.

THE CLASSIFICATION SOCIETY SYSTEM NEEDS A COMPREHENSIVE OVERHAUL SO THAT SHIP INSPECTION BECOMES THE CORNERSTONE OF LICENSING A SHIP TO OPERATE AND LICENSING AND OPERATOR TO MANAGE THE SHIP.

CLASSIFICATION SHOULD BE A MATTER OF PUBLIC RESPONSIBILITY NOT PRIVATE COMMERCIAL CONTRACTS AND ALL OF A SHIPS RECORDS FROM SHIPYARD TO BREAKERS YARD SHOULD BE A MATTER OF RECORD AVAILABLE TO ALL THOSE WITH A LEGITIMATE NEED TO KNOW.

THERE NEEDS TO BE A UNIVERSAL STANDARD FOR SHIP CONSTRUCTION AND DESIGN, AND POST CONSTRUCTION MODIFICATIONS NEED TO BE CLOSELY

CHECKED BOTH AT THE TIME OF THE RECONSTRUCTION AND REGULARLY THEREAFTER. THERE CAN BE NO DOUBT THAT THE CARRIAGE OF HEATED OIL CARGOES IN SHIPS MODIFIED TO MEET SEGREGATED BALLAST RULES CREATE EXTREMES OF TEMPERATURE WHICH HAVE MAJOR STRUCTURAL IMPACTS.

THESE AND OTHER POST CONSTRUCTION MODIFICATIONS NEED PARTICULAR INSPECTION ATTENTION.

BEFORE THESE AND ALL OTHER SHIP INSPECTIONS CAN BE CONSIDERED BY GOVERNMENTS TO BE CONSISTENT, AND RELIABLE, CLASSIFICATION SOCIETIES NEED TO SHED ALL THEIR CONTRACTUAL RELATIONSHIPS, SEPARATE THEIR DESIGN AND CONSULTANCY OPERATIONS FROM THE INSPECTION OPERATIONS AND BECOME LIABLE FOR FAILURES IN THESE INSPECTION OPERATIONS.

WITHOUT THE AGREEMENT OF CLASSIFICATION SOCIETIES TO A RADICAL OVERHAUL OF THEIR RELATIONSHIPS AND RESPONSIBILITIES THEN GOVERNMENTS WILL HAVE TO SERIOUSLY CONSIDER THE ESTABLISHMENT OF THEIR OWN INSPECTION ORGANISATIONS AS THE PUBLIC WILL SIMPLY NOT TOLERATE THE FAILURES AND VAGUARIES OF THE PRESENT CLASSIFICATION SYSTEM.

FINALLY AS WE LOOK AT TANKER SAFETY IT IS IMPORTANT TO REMEMBER THAT THE SHIP IS ONLY ONE LINK IN THE TRANSPORTATION CHAIN AND THAT A SHIPS SAFETY IS FUNDAMENTALLY DEPENDENT ON THE SHORE BASED COMPONENTS OF THE CHAIN ON THE SHORE BASED COMPONENTS OF THE CHAIN.

SAFE PORTS, ACCURATE CHARTS, COMPETENT PILOTS, ADEQUATE TUGS, EFFICIENT TRAFFIC CONTROL SYSTEMS, AND PROPERLY STAFFED AND SUPPLIED EMERGENCY RESPONSE SYSTEMS ARE JUST SOME OF THE ESSENTIAL ASPECTS OF TANKER SAFETY.

IF THE SEA EXPRESS HAD BEEN ALLOWED INTO POINT AS A SAFE REFUGE AFTER SHE FIRST RAN AGROUND THE SHIP WOULD HAVE BEEN SAVED AND A MAJOR OIL SPILL AVERTED.

IF THE ERIKA HAD BEEN ALLOWED A POINT OF REFUGE WHEN SHE FIRST GOT INTO DIFFICULTIES, AND IF THAT PORT HAD A PROPERLY EQUIPPED AND STAFFED OIL SPILL RESPONSE SERVICE THEN WE PROBABLY WOULD NOT BE MEETING HERE TODAY.

ANOTHER ESSENTIAL ASPECT OF TANKER SAFETY IS ACCIDENT INVESTIGATION AND REPORTING. INTERTANKO HAS MADE REPRESENTATIONS TO I.M.O AND THE EUROPEAN COMMISSION STRESSING THE NEED FOR EFFICIENT AND PROFESSIONAL INVESTIGATION OF TANKER ACCIDENTS TO BE PROMPTLY CONDUCTED, WITH THE RESULTS PUBLICISED IN ORDER THAT CORRECTIVE ACTION CAN BE TAKEN TO PREVENT SIMILAR INCIDENTS.

THE AVIATION INDUSTRY IS A SHINING EXAMPLE OF ACCIDENT INVESTIGATION, AS THE RECENT TRAGIC CONCORDE DISASTER CLEARLY SHOWED.

SERIOUS CONSIDERATION NEEDS TO BE GIVEN TO THE ESTABLISHMENT OF A EUROPEAN MARITIME SAFETY AUTHORITY INDEPENDENT OF INDIVIDUAL GOVERNMENTS BUT WITH THE FULL AUTHORITY TO INVESTIGATE ACCIDENTS, RECOMMEND ACTIONS, INITIATE PROSECUTIONS AND MONITOR SAFETY STANDARDS ON A CONTINUOUS BASIS.

THE UNITED STATES NATIONAL TRANSPORTATION SAFETY BOARD PROVIDES AN EXCELLENT BLUEPRINT FOR THE CREATION OF A EUROPEAN AUTHORITY.

ALL OF THESE MEASURES, FROM IMPROVED INSPECTION TO ALL THE LAND BASED SAFETY ASPECTS, REQUIRE MONEY TO BE SPENT ON THEM. AS THE INTENTION IS TO PROTECT THE ENVIRONMENT, REDUCE POLLUTION AND IMPROVE SAFETY THEN SIGNIFICANT PUBLIC FUNDS NEED TO BE AVAILABLE TO ACHIEVE THESE OBJECTIVES.

THE SOURCE OF PUBLIC FUNDS IS TAXATION AND OIL IS THE MOST HEAVILY TAXED COMMODITY AFTER TOBACCO AND AHEAD OF ALCOHOL.

MUCH HAS BEEN MADE OF GASOLINE TAX IN THE STREETS OF THE UK AND OTHER EUROPEAN COUNTRIES RECENTLY, WITH THE PUBLIC DEMANDING A LOWERING OF THE TAXES AS PUMP PRICES HAVE ESCALATED TO ALL TIME HIGHS.

THE UK GOVERNMENT HAS FALSELY PUT THE BLAME FOR THE HIGHER PRICES ON THE INCREASED COST OF CRUDE OIL WHICH HAS HAD ONLY A SMALL EFFECT ON THE PRICE WHILST ESCALATING TAXES HAVE GIVEN THE GOVERNMENTS COFFERS AN EXTRAORDINARY BONUS.

TWO YEARS AGO INTERTANKO MET IN BRUSSELS AND PRESENTED THE CASE FOR EUROPEAN GOVERNMENTS TO SPEND MORE MONEY ON IMPROVING THE SAFETY FOR TANKERS TRADING IN AND OUT OF EUROPEAN PORTS.

AT THAT TIME WE ESTIMATED THAT ON A VLCC OF CRUDE OIL THE COST OF THE CARGO, ITS TRANSPORTATION REFINING AND MARKETING ACCOUNTED FOR SOME 22% OF THE PUMP PRICE WITH 78% BEING TAXES.

THESE PERCENTAGES SHOW LITTLE CHANGE TODAY AS THE TAXES HAVE RATCHETED UP IN LINE WITH THE INCREASED COSTS OF CRUDE OIL.

WE TODAY ESTIMATE THAT THE MAJOR EUROPEAN GOVERNMENTS COLLECT SOME US\$ 220 BILLION ANNUALLY FROM THE TAX ON OIL IMPORTS BROUGHT IN BY TANKER.

THAT MEANS THAT TANKER OWNERS CARRY TAX REVENUES AND NOT ONLY OIL. AS SUCH WE RIGHTLY DEMAND THAT SOME OF THESE TAX REVENUES BE SPENT ON THE CAUSE OF TANKER SAFETY.

AS APPROXIMATELY THE SAME LEVEL OF TAX REVENUE IS RAISED FROM OIL BROUGHT IN FROM THE NORTH SEA AND THROUGH PIPELINES IT IS UNDERSTANDABLE WHY ALL ASPECTS OF THE OIL TRANSPORTATION CHAIN ARE ASKING FOR THESE EXCESSIVE TAXES TO BE RECYCLED INTO PROTECTING THE ENVIRONMENT FROM THE DANGERS OF TRANSPORTING THIS ESSENTIAL COMMODITY.

FROM THE TANKER OWNERS POINT OF VIEW WE RECOGNISE THE NEED FOR CONSTANT VIGILANCE ON TANKER SAFETY, BUT MORE REGULATIONS WILL BE INEFFECTIVE UNLESS EXISTING REGULATIONS ARE PROPERLY ENFORCED.

A MODERN VLCC CARRIES 10,000 ROAD TANKERS OF OIL AND AS SUCH THE DISRUPTION TO THE SEABORNE TRANSPORTATION SIDE OF THE OIL INDUSTRY WOULD HAVE A MUCH BIGGER IMPACT THAN THE BLOCKAGES ON SHORE THAT WE HAVE SEEN RECENTLY.

WHAT HAS THE BRITISH GOVERNMENT DONE TO ENSURE THAT ANOTHER SEA EMPRESS COULD NOT HAPPEN. NOTHING.

WHAT HAS THE FRENCH GOVERNMENT DONE TO ENSURE THAT ANOTHER ERIKA COULD NOT HAPPEN.

NOTHING AT A PRATICAL LEVEL. LOTS OF POLITICING AND RHETORIC. COMPARE THESE WITH WHAT THE USA HAVE DONE IN VALDEZ WHILE THE DEBATE ABOUT AGE AND SINGLE HULLS RAGES , TANKER SAFETY CAN BE FURTHER IMPROVED BY

1. THE ESTABLISHMENT OF A EUROPEAN MARITIME SAFETY AUTHORITY
2. THE ENFORCEMENT OF THE PORT OF REFUGE AGREEMENTS
3. A COMPLETE OVERHAUL OF THE CLASSIFICATION SYSTEM
4. RIGID INFORCEMENT OF PORT STATE CONTROL WITH COMMON STANDARDS THROUGHOUT EUROPE
5. ESTABLISHMENT AND IMPLEMENTATION OF A EUROPE WIDE SYSTEM OF OIL SPILL RESPONSE WITH PROPER EQUIPMENT AND TRAINED PERSONNEL LOCATED AROUND THE COASTS OF EUROPE
6. LOCATION OF TUGS IN STRATEGIC PLACES, CAPABLE OF HANDLING THE SIZES OF SHIPS INVOLVED IN THE TRADES
7. TOTAL TRANSPARENCY OF SHIPS RECORDS, SURVEYS AND CONDITION ASSESSMENT WITH THE INTRODUCTION OF A LICENSING SYSTEM FOR SHIPS AND OPERATIONS
8. EFFECTIVE INDEPENDENT ACCIDENT INVESTIGATION SYSTEM WITH TOTAL TRANSPARANCY IN REPORTING

ALL OF THE ABOVE IGNORE THE PHASING OUT PROPOSALS WHICH ARE INEVITABLE, BUT THEY ARE ALL ESSENTIAL TO ACHIEVE A SAFER TANKER INDUSTRY.

