



INTERNATIONAL COMMISSION ON SHIPPING (ICONS)

Presentation of **THE SHIPPING FEDERATION OF CANADA**
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Montreal.

The Shipping Federation of Canada is a 97-year-old association of shipowners, charterers, and maritime agencies representing shipowners and operators. Our members are Canadian companies located throughout Eastern Canada ranging from St. John's to Thunder Bay. Our mandate is to protect the common interests of the members and the trades in which they are involved. For the most part, our members trade to and from Canada using non-Canadian flag ships. Container liner services, tanker owners and operators, bulk carriers and break-bulk services are represented the 75 member companies.

We welcome the International Commission on Shipping and appreciate this opportunity to interact with you.

Too frequently, the stories we read in the press are the stories of unfortunate disasters at sea. We rarely read about the successes of our industry, other than in our own trade journals. The public image is therefore more inclined toward "ERIKA" and "Ships of Shame". We rarely hear about the new building programs of Fednav, Canada Maritime, Canadian Forest and other companies with strong Canadian presence and influence on the global market.

In the early 1990's, Canada became involved in the European Port State Control memorandum and later became a member. Our members feared the potential for marketplace imbalance if Canada were to be a tougher inspector than competing nations. Happily, after a few years of experience, it became evident that these early fears were unfounded. Despite these concerns, Federation members were steadfast supporters of Port State Control and remain so to this day. A safe and seaworthy ship is more apt to deliver a good cargo to the receivers. This is important for the protection of our Canadian markets.

One think our members have been saying for years is that it is not the flag of the ship that is the measure of the ship. It is the management that is responsible for the quality of shipping.

As agents, our members are named to represent ships arriving at Canadian ports to load or discharge cargo. Agents are, for the most part, not in control of the quality of the ships they are called upon to represent. When Transport Canada Marine Safety Inspectors undertake a port State Control inspection and find deficiencies, our members serve as the intermediary with the

ships' owners to have the deficiencies corrected in a timely and efficient manner. The task is not always pleasant but I have never heard Transport Canada complain about our members' performance.

Port State Control is the most powerful tool in the Canadian arsenal. The detention of a ship is the heaviest penalty a shipowner can endure. It is extremely effective and repairs get done quickly under the threat of a detention. In Canada, there is no better tool for enforcement.

Where we believe there is room for improvement is on the human resources side. Just like every other country in the world, Canada is suffering from a shortage of trained, experienced and qualified marine personnel. Our companies, our government and our independent service sector are all suffering the same shortages.

Seagoing on commercial ships is not sexy. There's no e-mail or Internet connection in every cabin. Film star wages cannot entice North Americans to seagoing careers. Shipowners and management companies are driven to find officers and crew where there are available personnel. The high-end cruise liners and container operators will attract the best and the medium range bulker and tanker trades will take the best they can find or afford. Consequently the low-end managers and operators will take advantage of the rest.

People is our industry's greatest challenge. Whether they are regulators or crewmembers, the standards with which they ply their trade depends largely on training and experience.

Your Commission can recommend more enforcement through International Conventions, Port State Control, Flag State Implementation, IACS and Quality management regimes but without people, none of these schemes can see the light of day. The Millennium Conference is underway at the United Nations in New York as we speak. One of its objectives is to reduce world poverty. The poorest nations are unfortunately the source of crews for substandard ship managers and operators. The situation can only improve if we educate those poor seafarers with a determination that when they become shipmanagers, they will not treat their crews the same way.

I believe we are at least a generation away from a solution. It will take us a generation to train and qualify a new set of seafarers to become officers, managers and regulators. Transport Canada will then have the resources to diversify its inspectors, concentrate on uniform application of regulations, trade training and expertise with other nations for a more uniform application of Port State Control initiatives and become a promoter of seafaring innovation. Right now, all of these issues are largely unattended not only by Transport Canada but also by other organization and private enterprise because they don't have the personnel.

Thank you for listening to my comments.