

IACS

INTERNATIONAL ASSOCIATION OF CLASSIFICATION SOCIETIES
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Towards a Future Maritime Policy for the Union

A European vision for the ocean and the seas

Contribution by International Association of Classification Societies (IACS)

1. Introduction

1.1. The members of the International Association of Classification Societies (IACS) welcome the opportunity to contribute towards the development of a comprehensive future European Union Maritime Policy that encourages a thriving maritime economy and ensures the sustainable use of the marine environment.

1.2. The focus of IACS is on working towards the improvement of standards for safety at sea and preventing pollution of the marine environment, on providing an effective method for communication and co-operation with relevant international and national maritime organizations and on co-operating closely with the other principal sectors of the marine industry worldwide. This focus is directly attuned to the overarching interests of Governments, including those of the European Union and its Member States.

1.3. This commonality of interests is recognized by Governments, including those EU Member States that are active in marine affairs, through specific reference to the role of classification societies in the International Convention for the Safety of Life at Sea (SOLAS), the International Convention for the Prevention of Pollution from Ships (MARPOL) and in the 1988 Protocol to the International Convention on Load Lines.

1.4. It is further recognized by those Governments that are Parties to the above mentioned Conventions, including those EU Member States that are active in marine affairs, that delegate clearly defined statutory responsibilities to designated classification societies that carry out these functions in their capacity as a Recognized Organization as defined by the International Maritime Organization Assembly Resolutions A.739 (18) and A.789 (19).

1.5. The European Union recognizes the role and responsibilities of classification societies through the Council Directive 94/57/EC, as amended, On Common Rules and Standards for Ship Inspection and Survey Organizations and for the Relevant Activities of Maritime Administrations. The Directive "establishes measures to be followed by the Member States and organizations concerned with the inspection, survey and certification of ships for compliance with the international conventions on safety at sea and prevention of marine pollution, while furthering the objective of freedom to provide services."

1.6. The importance of the responsibilities undertaken by the IACS classification societies to the public interest is reflected in their governance and organization. Most are very closely associated with their

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national governments and operate as non-governmental organizations (NGOs) that have been accorded not-for-profit or charitable trust or foundation status by their relevant national government.

2. Marine Classification

2.1. Classification societies are organizations that establish and apply technical standards in relation to the design, construction and in-service survey of marine related facilities including ships and offshore structures.

2.2. More than 50 organizations worldwide define their activities as providing marine classification services. Presently ten of those organizations form the membership of IACS with one additional society accorded Associate membership status. A listing of the member organizations is attached in Appendix 1.

2.3. Of the current ten IACS members, four organizations are headquartered in EU member countries. A fifth member is headquartered in Norway (part of the EEA) and all members maintain extensive divisional, regional, national or representative offices in the majority of EU Member States, providing local employment and economic stimulus.

2.4. It is estimated that about 94 percent of all commercial tonnage (ships and other vessels) engaged in international trade worldwide is classed with a member or associate member society of IACS.

2.5. Through the requirements of SOLAS, internationally trading ships that are registered with a European Union Member flag State must be built and maintained in accordance with the requirements of a recognized classification society or an equivalent national standard. Many other types of marine vessels such as tugs, barges, large motor yachts and offshore structures such as mobile offshore drilling units are also required, by the law of the EU member State in which they are registered, to be built and maintained in accordance with the requirements of a recognized classification society.

2.6. Similarly, the great majority of ships and other vessels and offshore structures that transit EU waters and/or call at EU Member State ports but are registered with non-EU flag States are also built and maintained in accordance with the requirements of a recognized classification society.

2.7. Given the role and responsibilities of classification societies within the maritime safety regime, the members and associate member of IACS applaud the EU Maritime Policy initiative and ask that the following issues and statements be considered in the development of the Green Paper that will address the European vision for the oceans and seas.

3. The case for a holistic approach to oceans and seas

3.1. International trade and the prosperity of the EU Member States is founded upon the provision of safe, efficient, cost effective shipping services to bring raw materials, finished goods and consumer items into and out of the ports of the European Union. 90 percent of all world trade is moved by ship, aggregating in excess of 6 billion tons of cargo moved across the world's oceans each year.

3.2. The international shipping community is cognizant that it must fulfill this vital role, safely, minimizing any adverse impact on the environment and with as little disruption to competing uses of the seas as is possible.

3.3. Of particular concern to the industry is its responsibility to minimize pollution of the seas through accidental discharge of oil and noxious cargoes or substances, proper waste disposal, and pollution of the atmosphere through uncontrolled emissions from shipboard sources.

3.4. The international shipping industry recognizes that the protection of the marine resource base is a precondition for achieving sustainable economic development and generating employment from the world's oceans.

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3.5. By acting as an independent, self-regulating body for the international shipping industry that establishes appropriate technical standards for the design, construction and operational maintenance of the commercial vessels plying the world's oceans and the waters of the EU, classification societies make a significant contribution towards the protection of the marine resource base.

3.6. By providing technical guidance to EU Member States' maritime Administrations and to the deliberations of the International Maritime Organization, IACS and its member societies demonstrate their commitment to the development and implementation of sound, practical, enforceable regulations that promote maritime safety and protection of the marine environment for all competing users of the seas and of the waters of the EU as well as the rest of the world.

4. The International context and the case for European action

4.1. IACS members recognize the importance of the sustainable use of ocean resources on a local, regional and continental basis.

4.2. IACS members support the Preamble to the United Nations Convention on the Law of the Sea of 1982 (UNCLOS), to which the European Community is a party that states *"the problems of ocean space are closely inter-related and need to be considered as a whole."*

4.3. IACS members are headquartered in nations located in Europe, Asia and the North American continents. Those members also act as a Recognized Organization on behalf of flag State Administrations in more than 100 nations around the world. The ships and vessels that are classed by IACS members fly the flags of European Member States and of many other nations. Those ships and vessels ply their trade across all the oceans and seas of the world and carry cargoes that originate in, or are destined for, every nation in the world.

4.4. For such a truly international industry to operate safely and effectively across all oceans and between all nations it must adhere to regulations and standards that are developed under international comity. While recognizing the sovereign right of all nations to establish regulations deemed necessary for the protection of its waters and coastal communities, international trade would be seriously and adversely impacted if such an internationally uncoordinated approach to maritime regulation were to be promoted on a national or regional level.

4.5. An effective mechanism, the International Maritime Organization (IMO), is in place for the development of appropriate standards for the protection of life and property at sea and of the marine environment. Every EU Member State that is active in marine affairs is a member of the IMO and most make significant contributions to the debates that give rise to the International Conventions (such as SOLAS and MARPOL) that establish the required standards for enhancing maritime safety and protecting the marine environment.

4.6. IACS actively supports the work of the IMO through its Observer status as a non-governmental organization, through the high level of technical advice and support that it offers to the Organization and through the participation of technical experts from its various member societies on, or as advisers to, the national delegations of many of the principal flag States.

4.7. At the national level, some individual governments, including EU Members, either defer enactment of the Convention standards into national law or are slow to implement specific provisions once enacted. An example of the latter is the considerable delays that have occurred in providing adequate port reception facilities, as required under MARPOL Annex I, so that oily water slops can be discharged from a ship in a safe and environmentally acceptable manner.

4.8. It is suggested that prompt and consistent implementation and enforcement of existing maritime regulations at a national and regional level will obviate the need for much future regulation.

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4.9 It is also suggested that the EU could provide a positive template for global improvement in the quality of the international shipping industry by introducing clearly defined incentives that promote maritime safety and the protection of the marine environment by rewarding the owners and operators of the highest quality ships in a tangible manner.

4.10. IACS members appreciate and applaud the work carried out by EU Member States under the Paris Memorandum of Understanding relating to Port State Control (PSC). Targeted port State inspections have proved to be a valuable tactic in eliminating substandard shipping from the world's oceans and in raising the overall safety standards of the international shipping industry. The Paris MOU has proved to be a positive template for establishing and administering an effective PSC regime that has been closely followed in a number of other areas of the world.

4.11. IACS members also appreciate the leadership shown by the Paris MOU Secretariat in working with these other PSC regimes to harmonize their procedures and to coordinate the manner in which ships are targeted for inspection. IACS is of the opinion that these efforts to introduce a consistent and coordinated approach to PSC on an international level significantly enhance the effectiveness of each of these regional programs and helps to underpin the convention requirements.

4.12. IACS considers the activities of the PSC Administrations to be complementary to the efforts of its own members that are aimed at raising the overall standard of the international shipping industry. IACS is of the opinion that a close and cooperative relationship between class and PSC Administrations based on mutual respect for and trust in the activities and competencies of the other provides a positive approach to improving maritime safety standards. Regional training of PSC Officers provided on several occasions by IACS is considered to be a positive initial step towards gaining this respect and trust.

4.13 IACS members have a long history of working successfully with the maritime Administrations of national governments and/or the Coast Guard of those governments that maintain such an agency, to jointly establish and apply appropriate maritime safety requirements. IACS as an association and each of its members individually have sought to establish a similar, mutually beneficial relationship with the European Maritime Safety Agency (EMSA). To be effective, such a relationship must be founded on the principles of mutual trust and respect for the activities and competencies of the other. IACS members are committed to demonstrating their competence to EMSA and by so doing to earn the needed respect and trust in their activities.

4.14 In view of the above, IACS respectfully asks that the Maritime Policy Task Force consider the following:

4.14.1. That the international shipping and offshore industries must continue to be subject to an internationally agreed regulatory framework if they are to operate in a uniformly safe, efficient and environmentally sensitive manner and to effectively contribute to the further development of global trade.

4.14.2. That the possible occasional need for specific, narrowly focused local or regional regulation be recognized but that any such initiative should take into account the need for a consistent international regulatory framework if global trade is not to be disrupted or adversely impacted and that every effort should be made to first seek international comity on the issue through the auspices of the IMO.

4.14.3. Similarly, those elements of a possible integrated EU ocean policy that address issues of maritime safety and environmental protection that normally fall under the purview of the IMO due to their international implications, should be developed through international comity.

4.14.4. That the EU should make every effort to encourage prompt, coordinated adoption and effective implementation of international maritime conventions by its Member States.

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4.14.5. That the EU encourage its Member States to undertake a wide ranging review of existing maritime safety regulation to identify areas that can be simplified, clarified and/or better coordinated and that the Member States should work within the committee structure of the IMO to encourage a comparable reassessment of the source regulations as contained in the principal maritime Conventions as amended.

4.14.6. That the EU encourage the highest possible standards in the maintenance and operation of ships and vessels operating under EU Member State flags, or those under other flags that trade into EU ports, through the implementation of a clearly focused reward scheme that offers all facets of the industry adequate and appropriate financial, fiscal or operational benefits. Both the safety performance of individual ships and of fleets operated under a single manager, and the environmental performance of ships and fleets could be recognized in this manner.

4.14.7. That the EU support and encourage Member States to coordinate the training of their Port State Control inspectors, the manner in which ships are targeted for PSC inspections and the manner in which those inspections are carried out under the Paris MOU and to encourage further close cooperation between the Paris MOU and the other port state control regimes worldwide to increase the effectiveness of this component of the maritime safety regime.

4.14.8. That the EU encourage close cooperation between the Port State Administrations of its Member States and the members of IACS, and between the Paris MOU Secretariat and the members of IACS, based on the fact that class, acting as a recognized organization, and PSC Administrations have a common goal of improving maritime safety and protecting the environment.

4.14.9. That the EU encourage industry input into the establishment of expanded terms of reference for EMSA and, in particular, encourage a close and cooperative relationship between EMSA and the members of IACS in recognition of the shared common goals of class, acting as a recognized organization, and the agency of improving maritime safety and protecting the marine environment.

5. The human factor

5.1 The classification societies that form the membership of the International Association of Classification Societies employ many thousands of highly skilled personnel. A significant proportion of that combined workforce resides in EU Member States. The need to recruit additional staff continues to increase in direct proportion to the increase in global trade and the concomitant increase in the world's commercial fleet.

5.2 The employee skills required by classification societies are primarily in the areas of naval architecture and marine and mechanical engineering. Traditionally, a significant number of classification surveyors have had prior experience serving aboard international and/or coastal trading commercial ships. Traditionally, a significant proportion of the world's fleet has been owned by individuals or companies resident in Europe. However, for various reasons the number of ships that continue to fly the flag of a EU Member State or that employ skilled European engineering and deck officers has declined precipitously.

5.3 Similarly the traditional sources for experienced naval architects and mechanical engineers recruited by classification societies have been shipyards, engine builders and related maritime industrial activities. Again, for numerous reasons, shipbuilding activity in EU Member States has contracted significantly over the last two decades.

5.4 Classification societies must be able to offer comprehensive survey services on a global basis. Such services are best rendered using qualified nationals from the country in which the regional, national or port office is located. With a significant presence in most of the EU Member States, classification societies therefore have a vital interest in supporting efforts to maintain and expand the pool of appropriately trained and experienced maritime technical personnel within Europe.

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5.5 To promote the development of these maritime technical skills, IACS members provide scholarships in appropriate disciplines at universities in several of the EU Member States and offer graduates opportunities through tailored training schemes. To further encourage interest in maritime related careers and to sustain and expand employment of EU nationals within the large number of classification society offices within the EU, IACS members would be supportive of EU sponsored educational and vocational programs in the areas of maritime science and technology.

5.6. A growing disincentive for individuals considering a maritime industry career is the increased exposure of seafarers, classification society surveyors and supervisory personnel to possible criminal sanctions arising from a marine pollution incident. IACS asks that the Maritime Policy Task Force consider the strongly negative implications on attracting and retaining the necessary qualified classification personnel that would be occasioned by further broadening laws that criminalize actions that may contribute to accidental pollution but which do not amount to gross negligence or a dereliction of duty on the part of an individual.

6. Other issues

6.1 The classification and related statutory services provided by the members of IACS in their capacity as either a classification society or Recognized Organization are an essential component of the overall maritime safety and pollution prevention regimes. These services make a significant contribution to the safety of life and property and to the protection of the marine environment.

6.2. The continued provision of these essential services is threatened by the existing exposure of classification societies to potentially unlimited liability for errors or omissions on their part that do not amount to gross negligence.

6.3. The members of IACS respectfully request that the Maritime Policy Task Force give due consideration to extending appropriate legal protection to classification societies that operate within EU Member states and are recognized under the EU Council Directive 94/57/EC, as amended, On Common Rules and Standards for Ship Inspection and Survey Organizations and for the Relevant Activities of Maritime Administrations. Such protection would not extend to instances of gross negligence. Such protection would be in recognition of the essential contribution that classification societies make to overall economic growth, local employment opportunities, maritime safety and environmental protection. Such protection should be objective, transparent and allow for an appeal.

6.4. IACS members support an expanded auditing of their activities by the EU through its agency EMSA to verify that requirements of Council Directive 94/57/EC, as amended, are met and that their activities continue to warrant the legal protection that is requested.

6.5. Such an enhanced auditing system should take into account, and be coordinated with the quality audits that are conducted on IACS members by each of the individual EU Member States for which those members act as a Recognized Organization. Such coordination will encourage the most effective overall review of a society's activities.

6.6. IACS recognizes the presence within some EU Member States of classification societies that are not members of IACS as they do not meet IACS membership criteria with respect to quality, size or technical capability. Since the actions of any "classification" society reflects the overall standards and quality performance of all classification societies, including those that are IACS members, IACS respectfully requests that these organizations be subject to quality and management system audits of comparable intensity as those to which IACS members are subject so that the highest standards of classification are encouraged.

6.7. As international organizations addressing the most international of industries, marine classification societies rely on the principles of freedom of competition and trade to efficiently provide service to the shipping and offshore industries. Such principles are based on the concept of reciprocity between

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sovereign nations. IACS respectfully requests that the Maritime Policy Task Force enshrine these principles and concepts within EU maritime policy to encourage competitiveness within a free and fair market.

6.8 Classification grew out of a need by marine underwriters for an independent, technical rating of the ships and vessels that they were being asked to insure. Underwriters continue to rely on this risk assessment aspect of classification in today's market. Classification therefore plays an essential part within the overall global marine insurance industry, the centre of which is resident within Europe.

6.9. In developing a Maritime Policy for the Union, IACS requests that the Maritime Policy Task Force take note of this historic link between the insurance and classification sectors of the maritime industry. Policies that strengthen this bond would be welcomed, particularly if they are based upon the provision of incentives for shipowners and operators to demonstrate to underwriters, and to the relevant regulatory bodies, their adherence to the highest possible standards.

7. Conclusions

7.1. IACS members welcome and support the development of an integrated Maritime Policy for the European Union designed to promote economic growth, competitiveness, employment, technical innovation, environmental protection and maritime safety and security.

7.2. IACS members respectfully request that the Maritime Policy Task Force take into account the limited but critical role that classification plays in establishing and applying appropriate technical standards for the maritime industry that promote safety of life, and protection of property and the marine environment. These activities are to the public benefit and directly complement the associated responsibilities of the EU Member States in their capacity as either a flag State or port State.

7.3 The role of class, and the benefits that flow from the provision of classification services of the highest quality, has been detailed in this submission and are recommended to the Task Force for consideration.

7.4. Numerous specific suggestions have been put forward in this submission for consideration by the Task Force that would enhance the ability of the members of IACS to support the overall goals of the proposed policy, set forth in 7.1 above, and IACS members respectfully request that such consideration be given.

7.5. Of critical importance is the requested recognition by the Task Force, when developing the proposed Policy, of the internationality of maritime trade and commerce, and of the various industry sectors, including classification, that support the safe and environmentally sensitive use of the world's oceans. A coordinated approach to regulation of the world's oceans, and the activity thereon, based on international laws and treaties remains the most effective way to encourage safer, cleaner seas for all.

13 October 2005

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Appendix 1

IACS membership

American Bureau of Shipping

Bureau Veritas

China Classification Society

Det Norske Veritas

Germanischer Lloyd

Korean Register of Shipping

Lloyd's Register

Nippon Kaiji Kyokai

Registro Italiano Navale

Russian Maritime Register of Shipping

Indian Register of Shipping (Associate)