ANY OTHER BUSINESS

Multiple inspections

Note by the Secretariat

SUMMARY

Executive summary: The document reports on developments pertaining to the issue of multiple inspections

Action to be taken: Paragraph 11

Related documents: MSC 73/21, paragraphs 20.10 to 20.12; MSC/Circ.994 – MEPC/Circ.381; and MSC 72/22/5

Introduction

1. The Committee, at its seventy-third session, when considering the Secretary-General’s report on the IMO/Industry Meeting on multiple inspections held at IMO Headquarters on 9 February 2000 (which had addressed the problems reportedly caused to ship masters and ship officers, as well as to the smooth running of ships in ports as a result of the proliferation of inspections by representatives of various industry interests), noted that the Meeting, when reaching its conclusions, had made a number of recommendations concerning flag State Administrations, port State control authorities, industry partners and class and IACS.

2. Following discussion on the outcome of the Meeting, MSC 73:

   .1 approved a circular on the beneficial impact of the ISM Code and its role as an indicator of safe operation and environmental protection (MSC/Circ.994 – MEPC/Circ.381), as had been recommended by the Meeting;

   .2 agreed:

   .2.1 to request the Secretary-General to communicate with MoU/PSCs to convey to them the Meeting’s conclusions and recommendations; and

   .2.2 to endorse the Meeting’s recommendation that IMO should continue its efforts to assist in the establishment of an effective global network of control systems consisting of MoUs and regional PSC agreements, as appropriate; and

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.3 requested the Secretary-General to communicate with industry representative organizations and IACS, as appropriate, in the context of the Meeting’s conclusions and recommendations,

and instructed the Secretariat to report to MSC 75 on any action taken in accordance with the above decisions.

3 In pursuance of the above decisions, this document reports on developments as outlined in the following paragraphs.

Implementation of the ISM Code

4 One of the conclusions of MSC 73, when considering the Secretary-General’s report on the Meeting, was that one of the beneficial impacts of the effective implementation of the ISM Code would be the reduction of the need for the number and scope of non-statutory inspections (MSC/Circ.994 – MEPC/Circ.381, paragraph 6). At the time, the Secretary-General, noting that the full impact of the ISM Code on safety, protection of the marine environment and the shipping and insurance industries had not been empirically measured, considered that, in an attempt to gain a better picture of the situation with a view to assessing the effectiveness on those ships and companies to which the Code had applied since 1 July 1998, regional port State control MoUs/Agreements should be requested to provide information on any significant drop or otherwise in the number of detentions of ISM Code-certificated ships together with any action taken by port State control authorities in respect of ISM Code deficiencies and on the impact the ISM Code had had in their region since its first implementation date vis-à-vis detentions, serious deficiencies, etc.

5 In addition to the above, the Secretary-General considered that another valuable source of information could be the IACS members, which, acting on behalf of Administrations, carry out most of the audits, inspections and certification of ships and companies in accordance with the ISM Code and SOLAS chapter IX; and that information on the experience gained by classification societies in performing such functions, in particular information on any identified trend which might indicate improvements or otherwise in maintenance, safety records, casualty and deficiency statistics, etc., of ISM Code-certificated ships, as compared with associated pre-ISM data, could be very helpful when assessing the effectiveness of the Code.

6 Accordingly, when conveying to all PSC MoUs and Agreements the conclusions and recommendations of the Meeting, the Secretary-General sought information, as specified above, from port State control authorities and IACS on their assessment of the impact of the ISM Code since its first implementation phase and its effectiveness on ships on which it applied. The responses received are summarized in annex 1.

Implementation by the industry of the Meeting’s conclusions and recommendations

7 In pursuance of the request of MSC 73, which had noted that, with regard to the industry partners the Meeting had recommended that a greater co-operation should be established between charterers/shippers in the mutual recognition of inspection records, the Secretary-General communicated with industry representative organizations requesting information on any action they had taken in respect of, and any progress made in, the implementation of the Meeting’s recommendations.
Annex 2 reproduces the responses received from:

.1 INTERNATIONAL CHAMBER OF SHIPPING (ICS);
.2 INTERNATIONAL UNION OF MARINE INSURANCE (IUMI);
.3 THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO);
.4 INTERNATIONAL ASSOCIATION OF CLASSIFICATION SOCIETIES (IACS);
.5 EUROPEAN CHEMICAL INDUSTRY COUNCIL (CEFIC);
.6 OIL COMPANIES INTERNATIONAL MARINE FORUM (OCIMF);
.7 INTERNATIONAL FEDERATION OF SHIPMASTERS’ ASSOCIATION (IFSMFA);
.8 INTERNATIONAL ASSOCIATION OF INDEPENDENT TANKER OWNERS (INTERTANKO);
.9 INTERNATIONAL GROUP OF P AND I ASSOCIATIONS (P AND I);
.10 SOCIETY OF INTERNATIONAL GAS TANKER AND TERMINAL OPERATORS (SIGTTO);
.11 INTERNATIONAL ASSOCIATION OF DRY CARGO SHIPOWNERS (INTERCARGO);
.12 INTERNATIONAL SHIP MANAGERS’ ASSOCIATION (ISMA); and
.13 INTERNATIONAL PARCEL TANKERS ASSOCIATION (IPTA).

Global network and harmonization of PSC systems

In the context of the Meeting’s recommendation that IMO should continue its efforts to assist in the establishment of an effective global network of control systems consisting of MoUs and regional PSC agreements and of the decision of MSC 73 as outlined in paragraph 2.2.2 above, the Committee’s attention is drawn to a TC Fund-financed project, currently under implementation, which, among other things, provides for the attendance, by the IMO Secretariat, of regional PSC MoUs and Agreement Committee meetings with the objective of both gathering information on the implementation of PSC systems in the various regions and providing advice on the harmonization of PSC procedures and other related matters.

The project also provides funding for the conduct of regular workshops for regional port State control MoU and Agreement Secretaries and Directors of information centres for the purpose of discussing common problems and experiences and assisting in harmonizing and co-ordinating PSC practices and identifying any required technical assistance and priorities. The first in the series of such workshops was held from 7 to 9 June 2000 (see document MSC 73/13/1) while the second is tentatively scheduled to take place at the IMO Headquarters from 3 to 5 July 2002.

Action requested of the Committee

The Committee is invited to note the above information, as well as that in annexes 1 and 2; and take action as appropriate.
### ANNEX 1

**SUMMARY OF RESPONSES RECEIVED FROM MoUs, US COAST GUARD AND IACS**

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<thead>
<tr>
<th></th>
<th>MoU</th>
<th>Summary of information</th>
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<tr>
<td>1</td>
<td>Black Sea MoU</td>
<td>MoU has advised that information requested is not available since the Black Sea information system (BSIS), to be established with a view to providing information related to PSC activities, is not yet in place and is expected to be operational within one year.</td>
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<tr>
<td>2</td>
<td>Caribbean MoU</td>
<td>MoU has advised that nearly all the companies, which have to comply with ISM Code are well prepared to do so and that the <em>modus operandi</em> of ships inspected, in particular in the case of tankers, was up-graded to comply long before the ISM Code came into force.</td>
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<td>3</td>
<td>Indian Ocean MoU</td>
<td>MoU has informed that the IOMOU became operational from April 1999 and many authorities are not fully geared up for port State control activities. No complete analytical presentation is possible as IOMOU is functioning without any IT system. Out of 2,236 ships inspected in 2002 to which ISM Code is applicable, 29 detentions had at least one detainable deficiency which was ISM Code-related. It has been observed that there is no reduction in the detention rates of tankers and bulk carriers at all between 1999 and 2000, and that even if there is a reduction it would not be possible to deduce that such reduction should be attributed to implementation of the ISM Code alone.</td>
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<td>4</td>
<td>Latin America MoU</td>
<td>MoU has provided information on detentions and statistical information on ISM Code-related inspections.</td>
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<td>5</td>
<td>Mediterranean MoU</td>
<td>The MoU is of the view that the ISM Code is an effective tool for substantially upgrading maritime safety and protection of the marine environment. Although flag States are in better position to provide a wider, in scope, assessment on the matter, the MoU is aware that the ships of certain types (e.g. bulk carriers) are more vulnerable to detention if compared with ships of other types. Therefore, any statistics aiming to reflect the reduction in the number of ISM-certificated ships should appropriately take into account this important parameters. Thus, an analysis of the data to be used in such an exercise is necessary, as the major beneficial impact of the ISM Code mainly relates to operational requirements, certification of ships and certification of seafarers.</td>
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|   |    | MoU has had measures in place designed, with the concerns of the industry in mind, to minimise the burden of PSC inspections for ships with a good safety record. A special targeting system has been incorporated into the MoU’s information system which calculates a target factor (TF) for each individual ship, and unless there are overriding priorities to inspect a ship, the decision to inspect the ship is based on the information contained in the TF. The system will minimise the burden on ships with good safety record and, at the same time, will target resources to those ships which may pose a hazard to safety or the environment. Although a structural form of co-operation has been established with Tokyo MoU, Caribbean MoU and the U.S. Coast Guard, it has been decided that at this stage the findings of their inspections should not be counted in the targeting system.

As to inspection databases, the MoU provides full information on inspections through their website and also contributes to the Equasis and shares inspection databases with the Tokyo MoU.

With regard to the effectiveness of the implementation of the ISM Code, the MoU has recognised that when properly implemented, ISM Code may have a positive effect by reducing non-statutory inspections. However, since its implementation in 1998, ISM deficiencies have been rising. The concern over the issue has led to the MoU to implement a Concentrated Inspection Campaign starting on 1 July 2002 for all ships. It is hoped that the results of the campaign will confirm that the ISM Code is being properly implemented and that regional PSC agreements, together with better targeting by the industry, will lead to a reduction of the burden of multiple inspections in the future.

|   |    | MoU has informed that various steps have been taken to improve the efficiency of port State inspections and to avoid unnecessary duplication of work, including:

.1 avoidance of inspecting ships which have been inspected by other Member Authorities of the Tokyo MoU within six months unless they have clear grounds for inspection;

.2 establishment of inter-regional data exchange with the Paris MoU which will be in operation in the near future;

.3 active participation in the IMO workshop of the secretariats of regional agreements on port State control; and

.4 support of the activity of the Equasis, including provision of port State control data to them. |
With regard to the effectiveness of the ISM Code implementation, MoU has, from the statistics on detention rate of ships since 1997, noted that these data do not appear to indicate discernible trend on the reduction of detention rate as a result of implementation of the ISM Code. Although the detention rates for certain types of ships in 1999 and 2000 show a light reduction as compared to those in previous years, it may not be possible to deduce that such a reduction should be attributable to the implementation of the ISM Code. Information provided for the period of concentrated inspection campaign (CIC) on ISM Code implementation (1 July to 30 September 1998) indicates a fairly high percentage of compliance with the ISM Code. Further CIC together with the Paris MoU for a period of three months starting from 1 July 2002 are planned, with respect to all ships subject to the ISM Code. MoU has believed that the implementation of the ISM Code makes significant contribution to the enhancement of the quality of shipping.

MoU has advised that information requested will be made available in the near future when the infrastructure within the Secretariat and information centre is operational to enable them functionally collect and collate data and other relevant information on the impact of the ISM Code vis-à-vis detentions, etc.

US Coast Guard has provided details of various initiatives taken to address the issues of multiple inspections and transparency such as:

1. working together with various counterparts to harmonize PSC procedures, enhance the exchange of PSC data, exchange PSC officers, allow direct access to respective PSC databases;
2. attending meetings of various MoUs;
3. actively participating in the Equasis;
4. providing data on website and online database information on ships’ examinations; exploring options for other online and data exchange modalities; and
5. amending PSC targeting policy to provide the latitude to downgrade/not board ships which have been recently inspected by a regional PSC MoU.

In respect of the effectiveness of the ISM Code implementation, the US Coast Guard has informed that they have recently completed a study to assess the impact of the ISM Code on vessel safety, and analysis shows that it may be too soon to analyse the impact of the Code. However, the study did show that the Code is having a positive effect on safety. Evidence revealed that companies having had a safety management system in place for five years or more report incremental reductions in casualties, spills, down time and associated costs; in addition, the current downward trend in detention rates is most pronounced in phase I ships.
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<th>IACS</th>
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<tr>
<td>10</td>
<td>IACS has listed measures taken in regard of survey regimes and detailed measures taken in regard of the IACS Transfer of Class Agreement. With regard to the ISM Code, IACS informed that there is no system at present to measure the effectiveness or impact of the Code; however, it is the subjective belief of IACS members that companies which have fully embraced ISM have better approaches to safety management than those who simply comply.</td>
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ANNEX 2

RESPONSES FROM INDUSTRY PARTNERS ON THE MEETING’S RECOMMENDATIONS

(1) INTERNATIONAL CHAMBER OF SHIPPING (ICS)

General comments

The Meeting held on 9 February 2000 was undoubtedly helpful in highlighting the difficulties caused by the proliferation of inspections of ships, usually carried out in ports at a time when ships’ personnel are preoccupied with cargo operations, maintenance, taking on fuel, water and stores, changing crew, etc. Ships’ masters are especially busy with the numerous official tasks that must be done.

Having considered the categories and types of inspections, the Meeting found that the inspections imposed for commercial reasons represented in the order of 70% of the total. The report of the Meeting concluded that if a meaningful reduction in the number of inspections was to be achieved, the initial focus should be on commercial inspections, for two reasons:

- “first because they account for more than two-thirds of the total number of inspections currently carried out; and

- secondly, because such inspections form the prevailing group of duplications, overlaps and redundancies.”

In the period since February 2000, there has been little evidence to show that there has been a noticeable reduction in the number of commercial inspections. On the contrary, there are indications that the variety and frequency of inspections is increasing.

It is generally acknowledged that the principal reasons for commercial inspections are:

- a lack of confidence in flag State control, and the recognized organizations acting on their behalf; and, as a consequence,

- pressure on other interested parties, such as insurers, shippers and charterers, to take steps to assure themselves about the standards of ships they insure or use.

Regrettably, efforts to restore confidence in the role of flag States, and the recognized organisations they appoint, have not succeeded in persuading those promoting the need for commercial inspections to review their policies and where possible, to at least reduce the scope and frequency of inspections. It is somewhat ironical that some commercial inspections are being carried out by the same surveyors/auditors who undertake statutory survey work on the same ship.

It is also disappointing that the situation that applied two years ago has not apparently been influenced by the introduction of the ISM Code. However, it is to be hoped that the extension of the requirements to all ships in July 2002 will encourage a change in attitude.
Port State control authorities

The main objective of port State control, i.e. the identification of sub-standard ships, is supported by all responsible ship operators. Good progress is being made by the more mature regional MOUs to target potential sub-standard ships. However, the same improvements are needed in other regions where apparently poor communications and differing national standards are resulting in ships which have a good record being inspected with the same frequency as those which do not.

Commercial inspections

Notwithstanding the assurances provided by the oil companies and the chemical industry about the efforts being made to rationalize the number of inspections of ships in the bulk liquid trades, reports received from shipping companies continue to complain about the number and frequency of inspections. There would seem to be no reason why better co-operation between shippers and charterers should not be able to achieve a reduction in the number of inspections, unless of course such parties feel unable to trust any inspections by third parties, including those carried out by other interested companies operating in the same commercial area.

A matter of particular concern to ICS is the declared intention of a small section of the chemical industry to introduce a new inspection scheme applicable to ships carrying packaged dangerous goods, and to the shipping companies that operate them. The scheme, for those who elect or feel obliged to participate in it, will apply to container vessels and ro/ro ships which carry dangerous goods; for the most part, ships which are on the verge of having to meet the requirements of the ISM Code. There is real concern that the introduction of the scheme will serve to further detract from the aims and status of the Code.

Equasis

Returning to the reasons why commercial inspections are seen to be necessary, ship operators will be watching with interest to see whether the establishment of a reliable database will assist in stemming demands for independent inspection regimes.
(2) INTERNATIONAL UNION OF MARINE INSURANCE (IUMI)

Further to your fax of 18 December I can report that IUMI participate in joint meetings with other NGOs arranged by IACS and while there is no concrete proposal to report at present our representative at these meetings feels progress which can reduce the multiplicity of inspections may emerge.

I shall be attending a meeting of IUMI Executive Committee in the second week in January and will raise the subject of multiple inspections again.
(3) THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)

With reference to your fax of 20 December 2001, in which you enquired about progress made in the implementation of the recommendations of the subject Meeting, we can advise as follows.

BIMCO issued a questionnaire to random shipowner members asking for their comments on vetting and inspections. In spite of the good intentions of the resolution A.787(19) “Procedures for Port State Control”, the feedback was that these guidelines are not always followed and that the standard of the PSCO was somehow fluctuating within the various regional systems. The same picture also appeared during vetting and surveys.

Continuing our efforts to improve the various situations vessels encounter in ports around the world, BIMCO has developed a reporting form, which concentrates on the ship’s experience in port. The BIMCO Reporting Form For Port State Control and Vetting Inspections aims to gather relevant and detailed information in the simplest way possible, allowing BIMCO to produce a database and statistics for use by members and in negotiations with various inspection authorities.

The BIMCO survey is ongoing. In order to ensure accuracy on the broadest possible scale and to gather information on as many ports as possible, all BIMCO owner members have been asked to distribute copies of these forms to all vessels in their fleet. Each form can then be copied and completed as the need arises, i.e. whenever the vessel encounters incidents related to inspections.

The BIMCO Reporting Form For Port State Control and Vetting Inspections is focussing on the following issues:

- inspecting authority;
- inspection frequency;
- inspection performed in accordance with the IMO Port State Control Procedures;
- inspection carried out with due regard to the safe operation of the ship;
- inspectors’ qualifications and behaviour; and
- cost and delays.

For the sake of clarity it should be mentioned that the report form requests both positive and negative experiences.

In order to ensure correct and fair practice for vessel inspections, it is of the utmost importance to receive reports from vessels on their experience and incidents occurring during vessel inspections.

The information gathered via the BIMCO Reporting Form For Port State Control and Vetting Inspections will at a later stage be made available to all BIMCO members via a ship inspection database.
Finally, it should be mentioned that on its Internet Homepage BIMCO has a separate section providing general guidance for owner members on issues related to inspection and port State control.
(4) INTERNATIONAL ASSOCIATION OF CLASSIFICATION SOCIETIES (IACS)

You asked for a report on IACS endeavours with respect to recommendations 1 and 2 arising from the Meeting.

Recommendation 1

Recommendation 1 is “Efforts should be made to increase the perception of, and confidence in, the qualifications and competence of IACS surveyors, and enhance the quality of classification society surveys, thereby strengthening trust in classification society inspections”.

With regard to survey regimes, a large number of measures which entered into force on 1/7/01, have been taken by IACS Members over the past 2 years. For example:

.1 Reinforcing the Enhanced Survey Programme (ESP) for bulk carriers, tankers and chemical tankers, by requiring intermediate surveys with an extended scope to match that of the preceding special survey (including dry docking or underwater survey as applicable) for ships exceeding 15 years of age. The tougher ESP regime is being introduced through new revisions of the IACS Unified Requirements Z10.1, Z10.2 and Z10.3 dealing with oil tankers, bulk carriers and chemical tankers respectively.

.2 Intermediate surveys and special surveys for ESP ships of 20,000 dwt and above will be performed by at least two exclusive surveyors. This requirement will apply from Special Survey No.3 (at 15 years of age).

.3 Monitoring of corrosion has been enhanced by requiring thickness measurements to be witnessed by the Society’s surveyor if the work is not carried out by the Society itself.

.4 Vulnerable areas are particularly addressed by requiring all ballast tanks adjacent to cargo tanks with heating coils to be examined internally on an annual basis when a tanker or a chemical tanker reaches 15 years of age.

.5 Statutory surveys are to be carried out by exclusive surveyors regardless of a vessels type or age.

So far as the surveyors qualifications and training are concerned, IACS Procedural Requirement PR7, entitled “Procedure for Qualifications and Training of Surveyors” was revised in June 2000 and again in June this year. This Procedure covers the theoretical and practical aspects of surveyors qualifications and training. It requires that for each surveyor, records are maintained of the surveyor’s academic history, professional experience and the survey and other training courses he has undertaken. The surveyors are regularly monitored and each Society is audited on an annual basis under the IACS Quality System Certification Scheme (QSCS), the scope of which embraces surveyors qualification and training. The greater focus on training and qualifications, together with the enhanced survey measures should go a long way to achieving greater trust in the Classification Society inspections.
Recommendation 2

Your second question concerns the Transfer of Class Agreement (TOCA) namely “The transfer of class agreement should be strengthened and its provisions implemented effectively”.

One of the measures developed over the last couple of years and which entered into force on 1 July this year concerns TOCA. That is to say, the IACS Transfer of Class Agreement, designed to allow for traceability of ships class and secondly to prevent owners “class hopping”, is reinforced by requiring the gaining society on class transfer to perform a Special Survey or Intermediate Survey, whichever is due next for ESP ships of 15 years and over. Furthermore, a Special Survey is obligatory for any vessel of 20 years and over. The new TOCA procedure requires the transfer to the gaining society of the ships classification survey history.

Effectiveness of the ISM Code

You also asked a question concerning IACS perception as to the effectiveness thus far of the ISM Code on ships to which it applies. At present there is no sound system or standard for measurements to analyse trends in maritime safety and protection of the marine environment with respect to the ISM Code. It is suggested that a broad approach at present might be to look at the trend in overall casualty rates for ships subject to the Code since 1998, compared to the trend for the same ships prior to 1998 and also compared with the trend for ships not yet subject to the Code. An analysis of the trends in port State control detentions on the same basis might also be worthwhile exercise.

Bearing in mind the lack of sound metrics, the subjective belief of IACS Members is that companies which have embraced the cultural change have better organised and structured approaches to safety management. This should make them better operators and better able to cope with arising safety issues and crises. It is also IACS Members subjective belief that those companies who have sought only to comply, have benefited less, and that there are those who clearly seek to evade compliance.

IACS Members are also concerned about the manner in which the Code has been implemented, with annual audits of company offices (DOC) but with only one intermediate audit for ships (SMC) in a 5 year period. It is believed that the SMC intermediate audits have shown that office paperwork may be in good order but the Safety Management System (SMS) may not be functioning. There is, in any case, very little track record of SMC auditing as ships are only now going through the first SMC intermediate audit.

Members believe that for the culture of the ISM Code to be promoted, and for there to be a meaningful interaction between the SMC auditing “Recognised Organisations” and the SMS on board the ship, two things are needed. Firstly, more frequent monitoring or auditing of the functioning of the SMS on board the ship. Secondly, better and more frequent interaction and communication between the Classification and other statutory certification functions on the one hand, and the ISM monitoring or auditing functions on the other.

IACS has been addressing these issues and has developed a Procedural Requirement (PR 17), publicly available on the IACS web site, which addresses “Reporting by Surveyors of Evidence of Possible Safety Management Failures”.
The chemical industry has established a scheme of chemical ship inspections that is being run by CDI (the Chemical Distribution Institute). Although a separate legal entity, CDI follow the policies set out by CEFIC and is composed mainly of chemical companies that are also members of CEFIC.

Although CDI have already informed IMO directly, it is herewith confirmed that the initiatives listed below are fully in line with CEFIC’s policy on enhancing the safe transport of chemicals by sea whilst avoiding unnecessary and costly duplication.

1 A joint working group of the Oil Companies International Marine Forum (OCIMF) and the Chemical Distribution Institute (CDI) concluded their work in producing an industry common Vessel Particulars Questionnaire (VPQ) on the 15th June 2000. This revision was implemented by CDI on 1st September 2000 providing future facility for the VPQ to be transferred between the databases of OCIMF and CDI.

2 In close co-operation with the Ship Owning Associations, the IT Committee of CDI provided the means for Port State Administrations, signatory to EQUASIS, to gain access to the statutory sections of the CDI ship inspection reports. The EQUASIS database is updated weekly with the list of ships having active reports and CDI offer full user training for the Port State Control Officers.

3 In response to the demand for Marine Terminals in Singapore to carry out pre-berthing safety inspections of ships visiting their terminals, the joint Technical Committee of CDI-Marine and CDI-Terminals has produced the Berthing Information Report. This electronic derivative of the ship inspection report allows terminals to gain access to the relevant sections of the CDI ship inspection reports, thus avoiding the necessity for the terminal to inspect the ship.

4 Discussions have taken place between the Chemical Distribution Institute and two leading P&I Clubs, with a view to the Clubs utilizing the CDI ship inspection reports for assessment purposes. These discussions are ongoing.

5 The Chemical Distribution Institute’s expansion into Marine Packed Cargo (containers) will endorse the ISM Code and utilize the ISM Auditors of the member societies of the International Association of Classification Societies (IACS). Discussions with IACS are ongoing.

6 At an exploratory meeting between the executives of CDI and OCIMF, the representatives committed the two organizations to working together to make as efficient as possible the OCIMF SIRE and CDI inspection programmes. This will, in the first instance, reduce and, in the longer term, eliminate the need for multiple industry inspections of oil and chemical tankers. In an outline plan to meet the objective, it was agreed:

   .1 Complete development and final implementation of the harmonized VPQ.
   .2 Develop a common accreditation programme for SIRE and CDI inspectors.
   .3 Develop a common Vessel Inspection Questionnaire.

OCIMF and CDI will jointly provide knowledgeable resource into a small working group early in 2002 to advance items .2 and .3.
7 Following the decision of OCIMF to extend their Vessel Inspection Report to include LNG ships, the Chemical Distribution Institute has abandoned plans to develop a ship inspection report for these ships, thus avoiding duplication and any possible proliferation of inspections.
(6) OIL COMPANIES INTERNATIONAL MARINE FORUM (OCIMF)

This is in response to your request for further advice on our activities to assist in the reduction on industry inspections and specifically on the progress made on the implementation of the Meeting recommendations.

Co-operation between charterers/shippers in the mutual recognition of inspection records

OCIMF can report significant progress. At the end of 2001, 345 SIRE inspectors will be accredited by examination. The accreditation programme started in early 2000 will be completed in early 2002, more than 4 months ahead of schedule. The effect of this programme will be to ensure that all SIRE inspections will be completed to the same consistent high standard. This will (indeed already is) providing a high degree of confidence amongst users of SIRE so that significantly more reports are now being drawn from the database rather than physical inspections being undertaken on every occasion.

The attached graph of inspections into the database compared to reports taken out and very clearly illustrates the point. It also shows the widening gap of inspections not now being carried out. We anticipate that as confidence continues to grow the gap will further widen and we will make positive progress towards our target of 2 SIRE inspections per vessel per year.

SIRE users

In the last 12 months there has been a significant increase in the use of SIRE reports by non-OCIMF members. Organisations now using SIRE have risen from 63 at the end of 2000, to 103 at the end of 2001. Although we have no evidence, we have to assume that these new users were probably undertaking their own private inspections before making use of the SIRE reports. We continue to actively market this facility.

SIGTTO

Executive level discussions between SIGTTO and OCIMF have concluded that the SIRE Vessel Inspection Questionnaire will be extended to include LNG vessels. The Chemicals Distribution Institute has abandoned plans to extend their vessel inspection report to include LNG vessels.

Chemicals Distribution Institute

A high level working group has been established between OCIMF and the Chemical Distribution Institute (CDI) to move forward an initiative started in 2000 to make as efficient as possible the ship inspection data in the two systems, this will be achieved by:

- During 2002, we will have a common Vessel Particulars Questionnaire
- Our accreditation programmes for inspectors will be made common
- The development of a common Vessel Inspection Questionnaire

OCIMF and CDI jointly share the view that in the longer term there should be one common system of vessel inspection and report covering all oil and chemicals vessels.
Port State inspectorates

You may recall that in the early part of 2000 we offered port State inspectorates free access to SIRE. All the MOU members were written to and, in addition, I was pleased to attend the International meeting of Port State Inspectorates in Bruges in May of this year to be able to repeat our offer and also to offer, free of charge, training in the use of the system. To date only 9 inspectorates have signed up and on average only 5 reports are withdrawn a month.

Given the wealth of information that PSIs can take from SIRE this is very disappointing. We intend to bring forward an information paper at MSC 75 re-emphasising the usefulness of this facility.

P&I Clubs

We have offered to provide to the International Group of P&I Clubs selected information from the SIRE database, which hopefully would lead to a reduction in the vessel inspections undertaken by the Clubs. We await their response.

Equasis

Developments and changes to the operating system of the SIRE database will shortly enable us to provide a hyper link to Equasis which will allow access (for registered users) to SIRE direct from the Equasis screens. We anticipate this facility being on line in the first half of 2002.

Other commercial inspections

We are concerned to know that at least one commercial organisation has set up and is actively marketing a similar inspection system to SIRE. This service is being offered to non-OCIMF member oil companies and oil terminal operators.

We believe that this initiative is directly counter to the accepted objective of a reduction in commercial inspections.

Through our industry contacts we are attempting to meet this organisation with the view of persuading them, and their customers, to be a part of the SIRE system.

Misuse of the inspection programme

OCIMF is of the view that many multiple inspections are shipowners “own goals”, in that they request OCIMF members to inspect their vessels in order to market their vessels as having been inspected by the oil majors. Owners in general do not advise inspecting companies of other inspection requests, hence multiple inspections.

OCIMF members believe this is a serious misuse of the SIRE inspection system and probably the greatest cause of multiple inspections from within the industry. The OCIMF General Purposes Committee now have this issue as a high priority and will be considering a number of actions at their forthcoming meeting in April.
SIRE Reports Received and Requested Per Month
Jan 1995 to November 2001
(7) INTERNATIONAL FEDERATION OF SHIPOWNERS’ ASSOCIATIONS (IFSMA)

The paper reporting the above Meeting and the recommendations made as a result of that Meeting is clear and in our opinion sound in concept. However, the ship masters have not reported any noticeable improved changes as yet. There are most probably sound reasons for this, not least of which is the understandable concern for all port states post September 11th 2001. STCW 95 and the greatly increased number of vessels required to implement the ISM Code in 2002 also can account for increased activity.

With reference to Section 3 of the meeting’s report, Conclusions and Recommendations, IFSMA would like to comment on the following.

Flag State administrations

IFSMA recognises and respects the flag State’s right to appoint whom they wish as ISM auditors. However we believe there is a distinction between the disciplines required to effectively carry out surveys, inspections and audits. It is for this reason that IFSMA is concerned with classification society surveyors carrying out an ISM audit. We believe that suitably trained ship masters who have served at sea operating the ISM Code would make the best auditors.

IFSMA is positively contributing as a member of the steering group for Videotel to produce a CD ROM and training manual aimed specifically to all seagoing staff. Entitled Making the ISM Code Work. We believe this will help to encourage seafarers to see the benefits of the ISM Code.

Port State control authorities

IFSMA believes that PSC is undoubtedly an essential and, mainly, effective weapon in the elimination of sub-standard shipping. It would help ship masters if they could experience a real standardisation of procedures not only between differing MoU regions but also within each region. We find the USA Boarding Criteria Matrix has a lot of merit and could be the basis of a globally accepted system.

Industry partners

IFSMA agrees that it is the “commercial inspections” that form the group where there is most opportunity to reduce the burden placed on the master by multiple inspections.

It is confusing at times for the ship master to understand what is actually being carried out. As previously mentioned, there are surveys, inspections and audits, and in some cases investigative reports that are undertaken during a vessels busy time in port. IFSMA believes that it would assist the master if there was an established procedure that every person carrying out a survey, inspection or audit should clearly state to the master when they board the vessel under whose instructions they are acting.

The ship master is confronted by any number of “surveyors” who may represent Class, P&I clubs, underwriters, cargo representatives, charterers, and others. None of these require any mandatory qualification whatsoever although one hopes their employers have used their discretion. IMO already has model courses for surveyors. Perhaps IMO should consider the equivalent of STCW for surveyors, inspectors and auditors?
We would welcome the combination of SIRE and CDI inspection systems.

The reservations made by IUMI about operational inspections being carried out by IACS reflect IFSMA’s views.

IFSMA fully understands the reason for condition surveys for vessels entering a P&I club and on ships with known defects. Representing the owner it is in the master’s interest that ship’s entering the same P&I club should be of an accepted standard. These surveys are not frequent but IFSMA would welcome any proposal that would enable the P&I surveyors to carry out their work in conjunction with other surveyors such a class.

IFSMA would welcome any opportunity to work with other industry partners to streamline procedures and continuously improve the quality of how all surveys inspections and audits are carried out.

Class and IACS

Whilst we agree with all that has been stated here regarding class, as mentioned above the qualification and competence of all surveyors should be addressed.

I trust these views are helpful and still further progress can be made towards a smoother system to ensure ships are constructed, maintained and operated in accordance with internationally agreed standards. It is in everybody’s interest to work together to see that this achieved, and you may rest assured that IFSMA will play its part to help reach this goal.
Following the IMO/Industry Meeting on multiple inspections at the IMO Headquarters on the 9th February 2000, noting the subsequent conclusions and recommendations arising from that Meeting and being mindful of the request to reply with comments by the end of 2001, INTERTANKO submits the following feedback on the matter of multiple inspections.

After consulting our members regarding multiple inspections and taking into account our current experience in this area we estimate that the average tanker could expect, as a minimum, to undergo the following annual different inspections:

.1 Chemical Distribution Institute (CDI) – 1-2 annually
.2 SIRE – about 2-7 annually
.3 Independent Vetting Inspections – about 2-3 annually
.4 Terminal Vetting Inspections – about 3-4 annually
.5 P&I Club Inspections – about one annually
.6 ISM Audits – annual audit (Either internal or external)
.7 PSC – in the region of 3-4 annually
.8 Flag State – an annual inspection
.9 Class – upwards of 8 annual/intermediate surveys (IOPP, Certificate of Fitness, Load Line, Safety Equipment, Safety Construction, Class, Safety Radio)
.10 USCG (LOC/TVEL) - an annual inspection,

i.e. in total 22 to 32 separate inspections per year, and possibly more.

With particular regard to the conclusions of the 9th February 2000 Meeting, INTERTANKO submits the following comments.

Flag State administrations

.1 There has not being noted any general reduction in the number of inspections reported.

.2 We therefore, respectfully, suggest that it would be beneficial for IMO to invite greater selectivity when authorising parties to carry out statutory surveys and subsequent issuance of the relevant certificates.

.3 Whilst recognising that the Administration has an obligation to monitor and inspect its registered vessels, these surveys and inspections are historically delegated to the Classification Society on behalf of the Administration. However, the Administrations still sometimes, find it necessary to inspect their vessels once
annually to check crew certification, manning, sanitary conditions, and safety, etc., despite the annual surveys and inspections by Class. We would suggest that there is currently plenty of scope for the flag States to co-operate more closely with a strengthened and confident Class to create a vessel specific information source that can be drawn upon from the proposed combined inspection data, and thereby reduce the number of inspections.

**Port State Control Authorities**

1. No general reduction in the number of inspections has being noted.

2. We therefore suggest that a single database of PSC information in EQUASIS would be an advantage, not just a list of vessel detentions but in a manner and form such that all the MoU’s could submit their inspection data results into one single system, which in turn would also assist in ensuring that operating standards are harmonised. It will also help reduce the number of inspections and help the various MoU’s in targeting the sub-standard vessels, thus rewarding the quality vessels by virtue of a reduced number of inspections.

3. We firmly believe common sub-standard vessel targeting criteria throughout all the MoU’s will substantially reduce the number of inspections of quality vessels, and in our view the USCG system provides an appropriate model for this.

4. We further suggest that an IMO model course for the training of port State control inspectors, that clearly identifies the required qualifications and experience for such an inspector, and the subsequent minimum requirements for inspector/surveyor training would increase the harmonisation of standards and common goals, and that this in turn would also result in a reduction in the number of inspections as well.

5. We also have concerns that although the PSC inspection deficiencies and detentions are recorded and declared in EQUASIS, there is no facility for “closure” of these, once they are corrected by the owner.

**Industry partners**

1. A reduction in the general number of commercial vetting inspections has been reported, this may be due to a slight increase in the use of the CDI & SIRE systems but may also be due to the number of oil company mergers over the last couple of years.

2. We are due to see a harmonised Vessel Particulars Questionnaire jointly produced by CDI & SIRE in the early part of 2002. The next stage in harmonising between CDI and SIRE, and thus hopefully a reduction in the number of commercial vetting inspections, will be the production of a harmonised Vessel Inspection Questionnaire (VIQ), as well as closer harmonisation between other aspects of the systems. Ultimately we would hope to see the complete merger of the two inspection systems, such that a single report can be issued that will be acceptable and used by all the oil/chemical companies, terminals and independent inspection third parties.
.3 It is most important that the industry inspection systems, oil/chemical companies/charterers, terminals and brokers, co-operate closely and with increased clarity. There remain a large number of these participants who either will not or cannot utilise each other’s systems and/or inspection reports thus creating a vast duplicity of similar inspections and similar information.

Class and IACS

.1 No reduction in inspection frequency has being reported.

.2 INTERTANKO recognises that the primary responsibility for quality and maintenance of a vessel rests with its Owner.

.3 However, Class inspect areas that affect the vessels fabric, safety, structure, maintenance and oil pollution prevention capabilities. SIRE and CDI systems on the other hand concentrate more – during an inspection – on the vessels’ systems, operation and management. The SIRE/CDI “screeners”, (users), also look closely at the fabric, maintenance condition safety and structure. Therefore, here again a section of the industry is not only using its own inspection system but, in addition imposing a version of another system (Class), in the form of fatigue analysis and CAP Ratings, to try and establish a structural risk assessment of the vessel.

Summary

1 The INTERTANKO vision is to see the number of ship inspections drastically reduced. To achieve this will be a lengthy task and it will not be easy. However, it is within the capability of a combined shipping industry effort, by responsible participants with the help of the IMO. The industry players that need to participate are:

- IACS
- PSC
- Recognised P&I Clubs
- Quality Flag State Administrations
- CDI
- SIRE
- Terminal Representatives
- The Oil and Chemical Companies (Charterers)
- ISM issuing authorities.

2 The safe, efficient and environmentally friendly operation of a vessel is dependent upon various factors:

.1 the structural integrity and seaworthiness of the vessel;
.2 sound operational competence;
.3 maintenance systems;
.4 shore management support;
.5 the human factor onboard and ashore;
.6 training and certification, and manning;
.7 regulatory authority (IMO);
3 It is therefore essential that to ensure the **structural integrity and seaworthiness** of the vessel, Classification Societies are appropriately empowered and accordingly strengthened to ensure the quality of the build and the maintenance through all stages of the vessels life. Only in this manner will confidence be restored in the Classification Societies in the aftermath of the **Erika**, (which was a structural and **not** operational failure). A further streamlining of Class surveys and certification under respective conventions would also produce a reduction in inspection/surveys to around 4 annual surveys.

4 CDI and SIRE inspect vessels in great detail mainly in way of the **Operational, and Training elements** the full harmonisation of these systems would reduce commercial vetting inspections to about 3 annual inspections.

5 Through continued ISM audits the **Human factor** will be monitored and controlled as well as **training and certification** and **shore management support** and would continue with 1 annual audit.

6 Port State control will still need to be involved as the “Industry Policeman” to monitor and guard against sub-standard shipping with the weight of the **Regulatory Authority (IMO)**, but under an umbrella of a common targeting matrix and which will reward quality shipping by reduced inspections and include a formal appeals process against unjustified detentions.

7 We suggest that through the framework of the IMO such a “body” could be created in which the above participants would be involved, such that a common database of information and inspection results would be available, from which competent participants could access the inspection data and thus make informed decisions regarding the **sound operational integrity and competence of the vessel**. A common matrix would be created that would be sub-divided into basically four areas of inspection/audit/survey/policing:

   .1 Class – covering structure and condition

   .2 Harmonised CDI/SIRE – covering operational and training

   .3 ISM – covering the human element, training certification, shore management support

   .4 PSC – the Industry Policeman representing port States and IMO

   .5 Flag State Administration could access and assess the data without the need to inspect.

In such a manner the total number of annual inspections could be reduced by as much as 75% from as many as 35 to about 9 annual inspections.
(9) INTERNATIONAL GROUP OF P& I CLUBS (P&I)

Many thanks for your letter of 18th December reminding us to report on the Clubs’ reaction to the initiative agreed at the meeting held last February. As you know all Clubs in the International Group carry out condition surveys and are also conscious that the proliferation of surveys causes serious inconvenience to their members. It was therefore recognised that there might be considerable merit in principle in combining the surveys carried out by Clubs and those carried out by, for example, Charterers. A detailed study was therefore undertaken in order to ascertain whether Clubs would be able to rely on the SIRE reports, which are probably the most comprehensive of the reports carried out by Charterers. The conclusion of this study was that since the object of these surveys was fundamentally different from those carried out by Clubs it would not be possible for them to be combined in practice.
(10) SOCIETY OF INTERNATIONAL GAS TANKER AND TERMINAL OPERATORS (SIGTTO)

Following the February 2000 at IMO Meeting we advised our membership of the concerns being expressed and invited discussion of the issue in our General Purposes Committee.

SIGTTO does not sponsor its own ship inspection and vetting organisation. Moreover, in the class of LNG tankers the problem of multiple inspections is not seen to arise – as it does, for example among LPG tankers.

Nevertheless, we have thought it best to lend support to a single ship inspection programme, concentrating our efforts on ensuring that the chosen programme is developed in a way that discourages multiple inspections and encourages the widest pooling of uniform data.

SIGTTO therefore now urges its members to employ the SIRE inspection system managed by OCIMF, as offering the most realistic prospect for achieving these goals. The SIRE programme is committed to standardisation of inspection procedures and common qualification of inspectors by examination. Hence, it is making big strides towards the acceptance of inspection reports by other parties and, thus, is likely to make inroads on the problem of multiple inspections – i.e. a potential inspecting party will more readily accept the (recent) report of another inspecting party.

Meanwhile we are working on the developing a special inspection module for LNG tankers to take account of the particular needs of ship/shore compatibility that must be addressed when these ships trade to ports outside their established routes.
(11) INTERNATIONAL ASSOCIATION OF DRY CARGO SHIPOWNERS (INTERCARGO)

The matter has been given considerable attention within INTERCARGO and we fully support your initiative on this issue. We have also discussed common issues with INTERTANKO and find ourselves holding very similar views to those which are expressed in their letter to you dated 20th December 2001.

In particular, we would like to emphasise a number of points.

Flag State administration

We believe that there should be plenty of scope for flag States to co-operate with Class to minimise the constant need for duplicated inspections. In many cases, Class performs a dual function and there should be no need for multiple inspections to achieve the same end.

Port State control authorities

A centralised database where every MoU could submit inspection data results would be a major step forward in reducing inspections. With a view to achieving this end, the training of PSC inspectors should be harmonised and standards set in a clearly defined manner.

Common sub-standard vessel targeting criteria should be used to reduce the number of inspections of quality vessels. We very much support the USCG with their approach.

The declaration of deficiencies and detentions should be clearly stated but equally when problems have been rectified then they should be capable of quick revision.

Industry partners

Dry bulk charterers and particularly quality charterers are becoming much more aware of the need for the selection of quality vessels. Risk management tools such as EQUASIS are being used more widely but there needs to be a major marketing effort to get their presence known on a worldwide basis. I have recently visited South Africa and the United States and I found that very few people knew anything about EQUASIS. I suspect that outside Europe, this would be a common response.

We do not see any need for SIRE or equivalent in the dry bulk sector.

In summary, the INTERCARGO response would be that the dry bulk industry does not experience anywhere near the same level of inspections as the tanker industry. However, there is still much that can be done to improve the situation and we have not noticed any direct improvement in the implementation of the recommendations which emerged from our Meeting in February 2000. We have given a few pointers as to where we see potential for improvement and would like to continue to be involved in any further discussions on this issue.
(12) INTERNATIONAL SHIP MANAGER’S ASSOCIATION (ISMA)

After reading the supplied documentation, I would advise the following in respect of the approach and activities of the members of the Association:

1. Members of the Association are active both formally and informally in meeting with appropriate organisations and individuals with respect to enhancing the relationships between shippers, charterers, receivers, and themselves as ship operators. To this end:

   Personnel from members of the Association meet, along with other operators, principal charterers, shippers, and inspection companies at regular annual or biannual meetings to discuss matters pertinent to inspections of vessels with the aim of improving both the inspection regime and ship condition.

   Additionally, individual member companies have extensive and regular contact with organisations such as the Chemical Distribution Institute (CDI) and oil major vetting services in continuous and continuing efforts to improve the inspection regimes and ship condition.

2. The Association, via its officers, meets with organisations such as Coast Guard Agencies and industry bodies in efforts aimed towards minimising those inspections carried out by rote rather than need as well as offering suggestions for improvement in content and technique.

   The foregoing, and other actions as considered appropriate, will continue to be carried out whilst the situations extant require them.
I refer to the meeting held on 9th February 2000 to discuss the problem of multiple inspections and your letter of 29 March of this year requesting feedback on implementation of the recommendations made, in order to report to MSC 75.

Regrettably, we have to advise that as far as the chemical/parcel tanker industry is concerned the situation is very little altered since that Meeting, with owners and masters continuing to complain of the number of inspections vessels are subject to.

IPTA has been involved in the process of making statutory parts of CDI reports available to Port State Control authorities via the EQUASIS database. We have acted as co-ordinator between the industry associations whose member ship owners are the owners of the data in CDI reports, the various PSC memoranda, the EQUASIS management and the CDI management. We have negotiated a confidentiality agreement under which the owners are prepared to make the data available to PSC authorities, and instructed CDI to make the necessary arrangements for releasing the data to those authorities who have signed the agreement.

While a large number of authorities have signed the agreement, however, it appears that relatively few are actually making use of the facility. It has recently been calculated that a typical chemical tanker can be inspected or surveyed as much as once for every nine days spent in port, taking into account all the various parties who carry out inspections, such as Flag, Class, Port State Control and commercial interests.

A major problem as far as our sector of the industry is concerned remains industry inspections. Inspections on behalf of commercial interests alone account for an average of seven inspections per year, all undertaken whilst our vessels are under full operational status. Indeed a number of our charterers insist that inspections will only be undertaken while the vessel is engaged in multi-parcel cargo operations. The burden that this places on the ship’s personnel cannot be over-emphasised. The number of inspections increases the older a vessel becomes, irrespective of the quality and integrity of the ship owner. It is perhaps worth recalling here that P&I statistics consistently show that less than 20% of claims relate to vessels of 15 years of age or over.

On 11 December of this year IPTA addressed the International Chemical Tanker and Trade Conference on the subject of ship inspections. We attach the text of our address for your information. You will note our appeal for all interested parties to work together to develop an inspection system through which our ships would be subject to a single common annual inspection recognised by all charterers.

We welcome your continued interest in this topic and would suggest that since all those engaged in current practice enjoy consultative status to the IMO as non-governmental organisations it is clearly appropriate that the Organisation continues to encourage co-operation towards the reduction of multiple inspections.

* The text of the address is not reproduced in this document.