

EXPERT MEETING

TOKYO, JAPAN

“MARITIME SAFETY AND ENVIRONMENTAL PROTECTION  
FOR THE 21ST CENTURY”

RADM R. C. North

OCTOBER 25, 2000

(SLIDE 1)

GOOD MORNING MR. TOKUDOME, MR. IKEDA, FELLOW  
SPEAKERS, GENTLEMEN, IT IS A PLEASURE AND HONOR  
FOR ME TO BE HERE AT THIS EXPERT MEETING AS A  
SPEAKER TODAY, AND I LOOK FORWARD TO SHARING  
IDEAS WITH ALL OF YOU REGARDING MARITIME SAFETY  
AND ENVIRONMENTAL PROTECTION ISSUES AS WE MOVE  
FORWARD INTO THE 21ST CENTURY.

THIS MORNING I WILL PROVIDE A PERSPECTIVE ON  
ESTABLISHING GLOBAL QUALITY SHIPPING AND  
ELIMINATING SUBSTANDARD SHIPPING BY EXAMINING  
THE ROLE INTERNATIONAL STANDARDS PLAY, CURRENT  
PORT STATE CONTROL RESULTS, INTERNATIONAL SAFETY  
MANAGEMENT CODE IMPLEMENTATION, AND FUTURE  
MODIFICATIONS TO OUR PORT STATE CONTROL PROGRAM  
TO REWARD QUALITY SHIPS.

THE ULTIMATE GOAL OF ALL STAKEHOLDERS IN INTERNATIONAL SHIPPING IS VERY SIMPLY, IN THE WORDS OF THE INTERNATIONAL MARITIME ORGANIZATION, “SAFER SEAS, CLEANER SEAS.”

THE MEANS TO ATTAIN THAT GOAL IS THE CONTINUOUS IMPROVEMENT OF THE QUALITY OF SHIPPING, INCLUDING THE VESSELS, THE PEOPLE WHO OPERATE WITHIN THE INDUSTRY AFLOAT AND ASHORE, AND THE MANAGEMENT SYSTEM IN WHICH THEY OPERATE.

THE INTERNATIONAL STANDARDS OF IMO AND THE ILO PROVIDE A DEFINITIVE FRAMEWORK DESIGNED TO ADDRESS AREAS OF RISK TO SAFETY, THE ENVIRONMENT, AND CREW CONDITIONS TO IMPROVE THE QUALITY OF SHIPPING.

THE “STRUCTURE” THAT SUPPORTS THE ATTAINMENT OF QUALITY BEGINS WITH:

(SLIDE 2 - FOUNDATION)

A FOUNDATION OF INTERNATIONAL STANDARDS, AS THE BASE, UPON WHICH THE PLAYERS IN THE PROCESS – OWNERS, FLAG STATES, PORT STATES, CLASSIFICATION SOCIETIES, CHARTERERS, UNDERWRITERS AND OTHERS-DEPEND TO ATTAIN QUALITY.

(SLIDE 3 - COLUMNS)

(SLIDE 4 - PARTHENON)

THESE PLAYERS ARE INFORMAL PARTNERS IN QUALITY SHIPPING OFTEN REFERRED TO AS THE CHAIN OF RESPONSIBILITY. THEY HAVE THE POTENTIAL TO DO EVEN MORE THROUGH FORMAL PARTNERSHIPS. CHAIN OF RESPONSIBILITY IS A VERY DESCRIPTIVE TERM COINED BY INTERTANKO.

OF COURSE, PRIMARY RESPONSIBILITY LIES WITH THE OWNER, FOLLOWED BY FLAG STATE, FOLLOWED BY CLASS, FOLLOWED BY CHARTERERS AND OTHERS AND FINALLY, THE PORT STATE, THE COUNTRY IN WHICH A VESSEL CALLS.

(SLIDE 5 - PSC WIDE PILLAR)

THIS IS THE CURRENT STATE OF THE STRUCTURE OF QUALITY SHIPPING. FAILURE OF THE PRINCIPLE PARTIES TO ASSUME THEIR APPROPRIATE SHARE OF RESPONSIBILITY HAS CREATED A VERY ROBUST PORT STATE CONTROL EFFORT AS THE LAST SAFETY NET WORLDWIDE TO ENSURE COMPLIANCE WITH THE QUALITY FRAMEWORK OF INTERNATIONAL STANDARDS. PSC IS SUPPORTING A DISPROPORTIONATE SHARE OF THE LOAD TO PROMOTE QUALITY.

INTERNATIONAL SHIPPING REQUIRES INTERNATIONAL STANDARDS – ONE STANDARD FOR WORLDWIDE USE TO:

- PROVIDE BOTH A UNIFORM WORLDWIDE FRAMEWORK TO WORK TO IMPROVE QUALITY AND A BENCHMARK FOR MEASURING PROGRESS;
- TO SIMPLIFY THE PROCESS OF COMPLIANCE AND ATTAINMENT OF QUALITY THAT WOULD BE MADE SIGNIFICANTLY MORE COMPLEX BUT NOT BETTER IF EVERY COUNTRY HAD DIFFERENT STANDARDS;
- TO EVEN THE PLAYING FIELD AMONGST COMPETING ECONOMIC INTERESTS; AND,
- TO RAISE THE BAR OF QUALITY AROUND THE WORLD FOR THE MUTUAL BENEFIT OF ALL NATIONS.

(SLIDE 6 - SAFETY, MEP, COMMERCE TRIANGLE)

WE MUST CONTINUE TO STRIKE A FINE BALANCE BETWEEN SAFETY, PROTECTION OF THE ENVIRONMENT, AND FACILITATION OF COMMERCE. WHEN I SAY WE I MEAN THE CHAIN OF RESPONSIBILITY AS WELL AS THE PUBLIC AND OTHER INTEREST GROUPS – ALL INFORMAL PARTNERS IN IMPROVING QUALITY. (AND THE TERM "PARTNERS" IMPLIES A STRONGER, CLOSER, MORE PROACTIVE RELATIONSHIP THAN THE CONCEPT OF THE CHAIN OF RESPONSIBILITY).

OVER THE LONG TERM, WE HAVE ALL WORKED HARD TO REDUCE THE LOSS OF LIFE AND POLLUTION TO THE ENVIRONMENT DUE TO MARINE ACCIDENTS AND ROUTINE OPERATIONS. BUT, CLEARLY, MORE MUST BE DONE. WE STILL SEE SHIPS FLYING THE FLAG OF REGISTRIES WITH GOOD PSC RECORDS AND CLASSED BY HIGH QUALITY CLASS SOCIETIES WHERE THE DESCRIPTION - SUBSTANDARD - IS GENEROUS. ALL REGISTRIES MUST WORK HARDER AND ALL OF CLASSIFICATION CAN BE IMPROVED.

(SLIDE 7 - ERIKA)

MORE VISIBLY, ONE ONLY HAS TO THINK OF THE ERIKA ACCIDENT OFF THE COAST OF FRANCE LAST DECEMBER THAT COATED BEACHES WITH FUEL OIL, AND THE RECENT SINKING OF THE FERRY EXPRESS SAMINA IN GREECE WITH MORE THAN 70 LIVES LOST TO KNOW THAT WE STILL HAVE PROBLEMS WITH THE SHIPS, THE PEOPLE, AND THE MANAGEMENT OF MARITIME OPERATIONS AND LAPSES IN THE CHAIN OF RESPONSIBILITY.

AND, VIRTUALLY THE WHOLE CHAIN CAN CLAIM SOME LEVEL OF RESPONSIBILITY FOR THOSE TWO RECENT ACCIDENTS.

(SLIDE 8 - ERIKA)

ACCIDENTS SUCH AS ERIKA RAISE THE ISSUE OF UNILATERALISM AND REGIONAL SOLUTIONS THAT TEND TO UNDERMINE THE BENEFITS OF INTERNATIONAL STANDARDS AND UNDERMINE THE INTERNATIONAL REGULATORY PROCESS THAT HAS BROUGHT US SO MUCH PROGRESS THROUGH THE IMO.

(SLIDE 9 - SAFETY, MEP, COMMERCE TRIANGLE)

WE MUST RESIST THE RELATIVELY EASY SOLUTION OF NATIONAL OR REGIONAL STANDARDS FOR INTERNATIONAL SHIPPING. OTHERWISE, WE MAY RISK LOSING THE BENEFITS AND IN THE LONGER TERM CREATE A NEGATIVE IMPACT ON SAFETY, THE ENVIRONMENT AND THE IMPROVEMENTS IN THE INTERNATIONAL ECONOMY AND STANDARD OF LIVING THAT CAN BE ATTRIBUTED TO SHIPPING AND OUR CAREFUL EFFORTS TO BALANCE SAFETY, ENVIRONMENT AND FACILITATION OF COMMERCE.

THE ERIKA INCIDENT CREATED A DEFINING MOMENT AT THE IMO THREE WEEKS AGO THAT WOULD DETERMINE WHETHER WE COULD CONTINUE TO SEEK INTERNATIONAL SOLUTIONS TO INTERNATIONAL PROBLEMS THROUGH INTERNATIONAL STANDARDS OR WHETHER WE WOULD LAPSE INTO REGIONAL OR UNILATERAL SOLUTIONS BEGINNING WITH THE PROPOSED EC APPROACH TO SINGLE HULL TANKER PHASE OUT AND THEN PROBABLY SEE SIMILAR REACTION AROUND THE WORLD.

THE DECISION OF THE EUROPEAN UNION COUNCIL OF  
MINISTERS THREE WEEKS AGO TO PUT THEIR  
CONFIDENCE IN IMO, FOLLOWED BY IMO DELEGATES  
WORKING TOGETHER IN THE BEST SPIRIT OF  
INTERNATIONAL COOPERATION, CREATED A RESOUNDING  
POSITIVE VOTE IN FAVOR OF AN INTERNATIONAL  
STANDARDS APPROACH TO THIS INTERNATIONAL  
PROBLEM THAT WILL FOSTER THE PREEMINENCE OF  
INTERNATIONAL STANDARDS INTO THE FUTURE. AND,  
ALTHOUGH IMO MUST COMPLETE ITS WORK AT THE NEXT  
MEPC, WE SEEM TO BE ON THE RIGHT TRACK.

IN THE US, THE RECENT INTERTANKO DECISION IN THE  
SUPREME COURT ALSO REAFFIRMED THE PREEMINENCE  
OF INTERNATIONAL STANDARDS FOR SHIPPING AND  
TURNED ASIDE THE WASHINGTON STATE TANKER  
REGULATORY REGIME.

THANKFULLY, TRAGEDIES SUCH AS ERIKA AND EXPRESS  
SAMINA, ARE BECOMING LESS COMMON AND OVERALL,  
OUR EFFORTS TO IMPROVE THE QUALITY OF SHIPPING  
THROUGH INTERNATIONAL STANDARDS ARE SHOWING  
POSITIVE RESULTS.

I WOULD LIKE TO PROVIDE SOME OBSERVATIONS ON THE GLOBAL EFFECTIVENESS OF THE PORT STATE CONTROL PROGRAM USING COMPLIANCE WITH INTERNATIONAL STANDARDS AS A BENCHMARK. DETENTION DATA COLLECTED OVER THE PAST FEW YEARS HAS RESULTED IN SOME INTERESTING FINDINGS. OVERALL, OUR EFFORTS IN PORT STATE CONTROL HAVE SHOWN SHORT TERM SUCCESSES WHICH WE HOPE WILL BECOME LONG TERM TRENDS.

(SLIDE 10 - PSC DATA)

IN THE US IN 1998, WE EXPERIENCED A 32% DECLINE IN OVERALL VESSEL DETENTIONS FOR FAILING TO MEET INTERNATIONAL STANDARDS FROM 1997 FIGURES, AND THE NUMBER OF DETENTIONS FOR 1999 IS DOWN 31% FROM THE NUMBER OF DETENTIONS FOR 1998. DETENTIONS RELATED TO CLASS SOCIETY PERFORMANCE HAVE DECREASED FROM 37% OF ALL DETENTIONS IN 1996 TO 15% IN 1999.

THIS DOWNWARD TREND, ALTHOUGH NOT AS PRONOUNCED, IN OVERALL PSC DETENTIONS HAS ALSO BEEN OBSERVED IN THE PARIS AND TOKYO MOU REGIONS AS WELL.

INCREASING TRANSPARENCY OF VESSEL PERFORMANCE HAS HELPED US TARGET EFFECTIVELY; AND, THE ESTABLISHMENT OF EQUASIS WILL IMPROVE TRANSPARENCY EVEN MORE. WE ARE PLEASED TO BE A FULL PARTNER IN EQUASIS WITH THE EC AND SOME MEMBERS OF THE PARIS AND TOKYO MOU'S INCLUDING JAPAN.

ADDITIONALLY, THE USCG WEBSITE THAT LISTS TARGETED OWNERS, FLAGS, AND CLASSES, AS WELL AS DETAINED VESSELS, IS AVAILABLE FOR GENERAL ACCESS AS IS THE PSIX.

I BELIEVE THAT, AMONG OTHER THINGS, THE ISM CODE HAS HAD A POSITIVE INFLUENCE ON THIS DOWNWARD TREND IN THE PREPARATION TO IMPLEMENT THE CODE. IN ESSENCE, THE ISM CODE AND OTHER INTERNATIONAL STANDARDS HAVE MADE AN IMPACT ON SAFETY BY "RAISING THE BAR" TO PROMOTE QUALITY IN SHIPPING WORLDWIDE.

THE OVERALL PSC DETENTION RATE DOWNWARD TRENDS THAT I MENTIONED EARLIER WERE MOST PRONOUNCED IN ISM PHASE I VESSEL CLASSES WITH A DETENTION RATE REDUCTION OF MORE THAN 50% COMPARED TO THE OVERALL RATE OF 31-32%.

OUR PORT STATE CONTROL PROGRAM HAS BEEN SUCCESSFUL  
THUS FAR, BUT WE PLAN TO MAKE SOME CHANGES TO  
OUR PROGRAM TO SHARPEN IT EVEN FURTHER. WE WILL  
IMPLEMENT TWO ADDITIONAL MEASURES THAT WILL  
BECOME EFFECTIVE JANUARY 1, 2001.

FIRST, ON SEPTEMBER 25 AT THE MARE FORUM IN ATHENS,  
GREECE, I ANNOUNCED THE DETAILS OF A NEW PSC  
INITIATIVE BY THE UNITED STATES COAST GUARD  
CALLED QUALSHIP 21 THAT WE HOPE WILL FURTHER  
IMPROVE QUALITY SHIPPING THROUGH INCENTIVES AND  
REWARDS FOR QUALITY VESSELS.

(SLIDE 11 - QUALSHIP 21)

WE STILL INTEND TO IDENTIFY AND TARGET HIGH RISK,  
POTENTIALLY SUBSTANDARD VESSELS, BUT WE BELIEVE  
IT IS TIME TO STOP TREATING ALL REMAINING VESSELS  
THE SAME AND TO SINGLE OUT THE QUALITY SHIPS AS  
WELL AS THE HIGH RISK.

WELL, WHAT SHIPS WOULD QUALIFY FOR THESE INCENTIVES?  
HOW DO YOU DEFINE A QUALSHIP 21 VESSEL?

(SLIDE 12 - QUALSHIP 21 QUALIFICATIONS)

FIRST, WE WILL CONSIDER THE PERFORMANCE – BASICALLY A LACK OF DETENTIONS FOR THE OWNER, FLAG, AND CLASS. THE VESSEL MAY NOT HAVE BEEN DETAINED, AND DETERMINED TO BE SUBSTANDARD, IN U.S. WATERS WITHIN THE PREVIOUS 36 MONTHS. THE INITIAL SCREENING WILL CONSIDER SUBSTANDARD VESSEL DETENTIONS BETWEEN JANUARY 1, 1998 AND DECEMBER 31, 2000.

THE VESSEL ALSO MAY NOT BE OWNED OR OPERATED BY ANY COMPANY THAT HAS BEEN ASSOCIATED WITH A SUBSTANDARD VESSEL DETENTION IN U.S. WATERS WITHIN 24 MONTHS. IN ADDITION, THE VESSEL MAY NOT BE CLASSED BY, NOR HAVE THEIR STATUTORY CONVENTION CERTIFICATES ISSUED BY, A U.S. TARGETED CLASS SOCIETY.

THE VESSEL MAY NOT BE REGISTERED WITH A FLAG STATE THAT HAS A DETENTION RATIO MORE THAN 1/3 OF THE OVERALL U.S. DETENTION RATIO, DETERMINED ON A 3-YEAR ROLLING AVERAGE FOR THE 1997-98-99 AVERAGE OF  $5.05\%/3=1.68\%$ . (FLAG STATES MUST ALSO HAVE AT LEAST 10 DISTINCT VESSEL ARRIVALS PER YEAR).

THE VESSEL'S FLAG STATE MUST HAVE SUBMITTED ITS SELF-ASSESSMENT OF FLAG STATE PERFORMANCE TO THE IMO, AND ALSO PROVIDED A COPY TO THE UNITED STATES. WE INTEND TO REWARD THOSE FLAG STATES THAT COMPLETE SELF-ASSESSMENTS AND MAKE THEM TRANSPARENT.

NEXT, THE VESSEL MAY NOT HAVE HAD ANY MARINE VIOLATIONS\*, NO MORE THAN ONE PAID NOTICE OF VIOLATION CASE (TICKET), ANY REPORTABLE MARINE CASUALTIES THAT MEET THE DEFINITION OF A SERIOUS MARINE INCIDENT (46 CFR 4.03-2), OR ANY MAJOR MARINE CASUALTIES (46 CFR 4.40) IN U.S. WATERS WITH THE PREVIOUS 36 MONTHS.

THE VESSEL MUST HAVE COMPLETED A SUCCESSFUL U.S. COAST GUARD PSC EXAMINATION WITHIN THE PREVIOUS 12 MONTHS OF ELIGIBILITY DETERMINATION.

SO, WHAT ARE THE INCENTIVES FOR A QUALSHIP 21 VESSEL?

---

\* A marine violation is any violation that results in a monetary civil penalty that is assessed by a hearing officer. This includes violations of the Federal Water Pollution and Control Act and pollution incidents. However, if a pollution incident is settled through the NOV program (ticket), one will be allowed during the evaluation period.

PRINCIPALLY, SIGNIFICANTLY LESS COAST GUARD ACTIVITY ON THE VESSEL WHEN IT IS IN A U.S. PORT THAT WILL FACILITATE ITS MOVEMENT AND CARGO OPERATIONS AND REDUCE PSC RELATED DELAYS. MORE SPECIFICALLY, QUALSHIP 21 FREIGHT SHIPS WOULD NOW RECEIVE BIENNIAL FREIGHT EXAMS. FOR QUALSHIP 21 TANKSHIPS, THE "ANNUAL" TANK SHIP EXAM WILL BE MODIFIED TO A BIENNIAL REQUIREMENT, AND BE SUBJECT TO A REDUCED SCOPE REINSPECTION BETWEEN BIENNIAL EXAMS. OTHERWISE, QUALSHIP 21 DESIGNATED VESSELS WILL NOT BE BOARDED DURING THAT TIME EXCEPT FOR A POLLUTION INCIDENT OR REPORTABLE CASUALTY - ABOUT A 75% REDUCTION IN BOARDINGS FOR THOSE VESSELS.

QUALSHIP 21 PASSENGER VESSELS WILL NOT BE ELIGIBLE FOR A REDUCTION IN ANY PORT STATE CONTROL EXAMS GIVEN THE PRECIOUS NATURE OF THEIR CARGO. HOWEVER, A QUALSHIP 21 PASSENGER VESSEL WILL ALSO RECEIVE A CERTIFICATE AS RECOGNITION FOR MEETING THIS STRINGENT CRITERIA.

WE ARE ALSO HOPEFUL THAT, EVENTUALLY, UNDERWRITERS, FINANCIAL INSTITUTIONS, AND PORT ENTITIES WILL RECOGNIZE QUALSHIP 21 CERTIFICATES AND PROVIDE ADDITIONAL INCENTIVES (LINK TO GREEN AWARD).

WHAT IS THE PROCESS FOR A VESSEL TO BE DESIGNATED A QUALITY SHIP AND BE ISSUED A QUALSHIP 21 CERTIFICATE?

WELL, VESSEL OWNERS WILL NOT NEED TO APPLY FOR QUALSHIP 21 DESIGNATION. THE U.S. COAST GUARD WILL DEVELOP A PRELIMINARY LIST OF ELIGIBLE VESSELS AND SEND LETTERS TO THOSE VESSEL OWNERS TO NOTIFY THEM OF THIS INITIATIVE AND THEIR OPPORTUNITY TO PARTICIPATE. VESSEL OWNERS THAT BELIEVE THAT THEY HAVE SHIPS ELIGIBLE FOR DESIGNATION, BUT DO NOT SEE THEIR VESSELS ON THE QUALSHIP 21 WEB PAGE (TO BE POSTED MARCH 2001) SHOULD NOTIFY THE COAST GUARD AND WE WILL REVIEW THEIR CASE.

WE HAVE DONE A PRELIMINARY REVIEW OF THE 9000 VESSELS THAT CALL IN THE U.S. AND HAVE FOUND THAT ABOUT 600 MEET THE CRITERIA - 6.7%.

IF YOU COMPARE WITH A 5.05% DETENTION RATIO, THEN ABOUT 89% OF VESSELS CALLING IN THE U.S. COMPLY WITH INTERNATIONAL STANDARDS OR BETTER.

A VESSEL WILL NO LONGER BE ELIGIBLE FOR INCENTIVES DURING THE PERIOD OF THE QUALSHIP 21 CERTIFICATE UNDER THE FOLLOWING CONDITIONS:

THE VESSEL IS DETAINED, AND DETERMINED TO BE  
SUBSTANDARD, IN U.S. WATERS;

THE VESSEL HAS A MARINE VIOLATION, MORE THAN ONE PAID  
NOTICE OF VIOLATION CASE, A REPORTABLE MARINE  
CASUALTY THAT MEETS THE DEFINITION OF A SERIOUS  
MARINE INCIDENT, OR A MAJOR MARINE CASUALTY;

THE VESSEL IS FOUND WITH SERIOUS DEFICIENCIES THAT ARE  
NOT BEING MONITORED BY THE VESSEL'S FLAG STATE OR  
CLASS SOCIETY, ACTING ON BEHALF OF THE FLAG STATE,  
OR THE VESSEL FAILS TO REPORT A HAZARDOUS  
CONDITION PRIOR TO ARRIVAL. IF THE VESSEL IS WITHIN  
THE TIME LIMITS IMPOSED BY THE FLAG STATE OR CLASS  
SOCIETY TO CORRECT DEFICIENCIES, THE VESSEL WILL  
NOT LOSE ELIGIBILITY FOR INCENTIVES;

THE VESSEL TRANSFERS CLASS TO A TARGETED CLASS  
SOCIETY; OR

THE VESSEL CHANGES ITS FLAG STATE TO A FLAG STATE THAT  
HAS A DETENTION RATIO MORE THAN 1/3 OF THE  
OVERALL U.S. DETENTION RATIO.

WE BELIEVE THIS WILL BE A PROACTIVE PROGRAM. WE WILL  
RUN IT FOR A YEAR AND THEN REEVALUATE.

AS OUR SECOND IMPROVEMENT TO OUR PORT STATE CONTROL PROGRAM, WE PLAN TO ADD CHARTERERS TO OUR PORT STATE CONTROL TARGETING MATRIX TO INCLUDE CONSIDERATION OF THE VESSEL'S CHARTERER AS AN ELEMENT OF QUALITY OR THE LACK THEREOF.

(SLIDE 13 - PSC MATRIX)

WE CONTINUE TO EXAMINE THE FEASIBILITY OF IDENTIFYING CHARTERERS THAT ARE ASSOCIATED WITH MULTIPLE DETENTIONS AND INTEND TO PUBLISH A LIST OF TARGETED CHARTERERS. THAT WILL THEN BECOME A NEW DIMENSION IN PSC TARGETING AND QUALITY AS WELL AS QUALITY RECOGNITION.

WE BELIEVE THAT, COLLECTIVELY, THESE MEASURES WILL CREATE VARIOUS INTERACTIONS AMONG THE DIFFERENT PLAYERS IN THE CHAIN OF RESPONSIBILITY THAT WILL CREATE INCENTIVES TO ASSUME THEIR APPROPRIATE SHARE OF RESPONSIBILITY FOR QUALITY SHIPPING.

FOR EXAMPLE, AN OWNER OF A VESSEL BEING HELD BACK FROM QUALITY RECOGNITION BY THE POOR PSC RECORD OF A REGISTRY OR CLASS SOCIETY MAY BRING PRESSURE ON THAT REGISTRY OR CLASS SOCIETY TO IMPROVE OR TAKE ITS BUSINESS ELSEWHERE.

FINALLY, EARLIER IN MY PRESENTATION, I MENTIONED  
FORMAL PARTNERSHIPS.

(SLIDE 14 - PARTNERSHIPS)

OUR WORK WITH THE EC AND OTHERS ON EQUASIS IS A TRUE  
PARTNERSHIP WITH A FORMAL AGREEMENT.

THE USCG HAS ALSO SIGNED FORMAL PARTNERSHIP  
AGREEMENTS WITH A NUMBER OF MARITIME INDUSTRY  
ORGANIZATIONS TO WORK CLOSELY TOGETHER TO  
IMPROVE MARITIME SAFETY AND ENVIRONMENTAL  
PROTECTION THROUGH NON-REGULATORY MEASURES.

EACH PARTNERSHIP HAS ESTABLISHED A PARTNERSHIP  
ACTION TEAM TO ADDRESS SPECIFIC PROJECTS.

THE PARTNERSHIP GROUPS AND SOME PROJECTS ARE AS  
FOLLOWS:

- INTERTANKO - ISM IMPLEMENTATION, NEAR MISS REPORTING, CREATION OF HSC'S
- BIMCO - ISM IMPLEMENTATION, BALLAST WATER R&D PLATFORM, NEAR MISS REPORTING, HAZARDOUS WATERWAY SITUATION REPORTING
- PVA - RISK GUIDE
- ICCL - EMERGENCY EVACUATION EXERCISES

- AWO - DECKHAND FATALITIES, TRANSFER SPILLS
- CSA/API - BRIDGE COMMUNICATIONS, CREW ALERTNESS
- APA - PILOT/COTP RELATIONSHIP

AS THESE PROJECTS CONCLUDE, WE ARE DEVELOPING OTHERS  
AND WE'RE DEVELOPING NEW PARTNERSHIPS - SUCH AS  
WITH INTERCARGO.

(SLIDE 15 - FUTURE RISK)

WITHIN THE BROAD CONTEXT OF QUALITY, I WOULD LIKE TO  
OFFER THOSE AREAS THAT WE IN THE U.S. SEE AS THE  
HIGH RISK FOR THE FUTURE OR WHERE WE SEE LARGE  
GAINS TO BE MADE TO ENSURE SAFER SEAS, CLEANER  
SEAS.

- PASSENGER VESSEL SAFETY - THE WORK WE WILL BEGIN AT  
MSC 73 IN NOVEMBER - NOT TO MENTION THE FALLOUT  
FROM EXPRESS SAMINA.
- AQUATIC NUISANCE SPECIES - MOVING AHEAD WITH A  
DIPLOMATIC CONFERENCE ON BALLAST WATER.
- SEAFARER RECRUITMENT, RETENTION, AND QUALIFICATION  
- FINDING PEOPLE WHO WANT TO BE SEAFARERS AND  
ENSURING THEIR COMPETENCE - KEEPING STCW CURRENT  
AND RELEVANT.

- REASSESSING THE SOURCES OF RISK OF OIL AND HAZMAT POLLUTION - TANKERS HAVE A DRAMATICALLY IMPROVED SPILL RECORD. AS WE LOOK TO THE FUTURE WE MUST DETERMINE IF OUR PREVENTION EFFORTS RELATIVE TO CARGO OIL, BUNKERS, PIPELINES, AND OIL HANDLING FACILITIES ARE RIGHTLY PROPORTIONED. I WOULD SUGGEST THAT BUNKERS AS A SOURCE NEEDS MUCH MORE ATTENTION.
- CRUISE SHIP GREY WATER/BLACK WATER - WE ARE FINDING A HIGH FECAL COLIFORM COUNT IN BOTH THAT ARE UNACCEPTABLE.
- TBT?
- FISHING VESSEL SAFETY - TOO MANY FISHERMEN STILL DIE - IN THE U.S. IT'S SIX TIMES THE DEATH RATE OF THE REST OF THE MARITIME INDUSTRY - AND THE WORST OF ANY OCCUPATION.
- MARITIME SECURITY - MAKING OUR SHIPS SECURE FROM TERRORISTS, PIRACY, STOWAWAYS, AND SMUGGLERS.

MOST OF THESE ISSUES ARE ALREADY ON THE TABLE AT IMO, WITH SOME ACTION IN PROGRESS. ALL ARE BEST ADDRESSED AT LEAST IN BROAD TERMS BY IMO AND MUST BE - OR AGAIN - WE RISK A PATCHWORK OF REGIONAL/NATIONAL APPROACHES THAT ARE LESS PRODUCTIVE.

OUR QUEST FOR QUALITY IS MOST EASILY ATTAINED  
TOGETHER, AS PARTNERS.

(SLIDE 16 - PARTHENON)

IN CONCLUSION, INTERNATIONAL STANDARDS PROVIDE  
NUMEROUS BENEFITS TO FLAG STATES, PORT STATES,  
AND THE ENTIRE CHAIN OF RESPONSIBILITY FOR QUALITY  
SHIPPING AS WELL AS THE PUBLIC AT LARGE.

ALTHOUGH SOMETIMES THERE ARE DRIVERS TO REACT TO  
ACCIDENTS WITH UNILATERAL NATIONAL OR REGIONAL  
SOLUTIONS AND STANDARDS, IN THE LONG RUN, THE  
INTERNATIONAL APPROACH IS USUALLY BEST WHERE  
POSSIBLE TO PROVIDE A CONSISTENT FRAMEWORK  
WITHIN WHICH ALL OF THE CHAIN OF RESPONSIBILITY  
MAY WORK TOGETHER TO IMPROVE SHIPPING QUALITY  
AND MEASURE PROGRESS – ALL TOWARD THE GOAL OF  
“SAFER SEAS, CLEANER SEAS.”

RECENT ACTIVITY AT IMO RESULTING FROM THE ERIKA  
INCIDENT REINFORCES THAT CONCEPT, ALONG WITH THE  
US SUPREME COURT INTERTANKO DECISION.

USING INTERNATIONAL STANDARDS AS A MEASURE, WE SEE SIGNIFICANT PROGRESS TOWARD IMPROVED QUALITY OF SHIPPING AS INDICATED BY A REDUCTION IN PSC DETENTIONS, BUT ARE STILL NOT SATISFIED WITH THE NUMBER OF VESSELS WE FIND NON-COMPLIANT AND THE LEVEL OF MARINE CASUALTIES. ALL LINKS IN THE CHAIN OF RESPONSIBILITY MUST DO MORE TO AID IN FURTHER IMPROVEMENTS.

FROM THE PERSPECTIVE OF A PORT STATE WE SEE NUMEROUS OPPORTUNITIES TO IMPROVE COMPLIANCE AND QUALITY SHIPPING AND SHIFT THE BURDEN APPROPRIATELY AMONGST THE CHAIN OF RESPONSIBILITY WITHIN THE FRAMEWORK OF INTERNATIONAL STANDARDS, AS FOLLOWS:

- CREATION OF INCENTIVES FOR FLAG STATES TO IMPROVE THEIR PERFORMANCE;
- CONTINUING THE STRONG EMPHASIS ON ISM IMPLEMENTATION AND COMPLIANCE;
- INCREASING ACCOUNTABILITY OF CHARTERERS;

- ESTABLISHING INCENTIVES FOR QUALITY SHIPS SUCH AS LESS PORT STATE EXAMINATIONS FOR VESSELS DEMONSTRATING QUALITY ALONG THE LINES OF PERFORMANCE AND TRANSPARENCY THAT AT THE SAME TIME CREATES INCENTIVES FOR OWNERS AND FLAG STATES TO CONTINUE TO IMPROVE QUALITY – ALL TOWARDS THE GOAL OF “SAFER SEAS, CLEANER SEAS.” WITH OWNERS AND FLAG STATE CARRYING OUT THEIR FULL RESPONSIBILITY AND PSC BEING ONLY A QUALITY CHECK, THIS IS THE DESIRED STATE OF THE STRUCTURE OF QUALITY SHIPPING.

LAST, THE CONCEPT OF "PARTNERING" HAS THE POTENTIAL TO FURTHER IMPROVE QUALITY OF SHIPPING WHETHER THE PARTNERSHIP IS INFORMAL AMONGST THE CHAIN OF RESPONSIBILITY OR THROUGH A FORMAL AGREEMENT.

WHILE WE CONTINUE TO IMPROVE QUALITY THROUGH TRADITIONAL STANDARDS ENFORCEMENT, WE WILL ALSO PURSUE NON-REGULATORY MEASURES THROUGH FORMAL PARTNERSHIP AGREEMENTS.

NUMEROUS CHALLENGES INVOLVING SAFETY, ENVIRONMENT, HUMAN ELEMENT, AND SECURITY ARE ON THE TABLE AT IMO - THERE MAY WELL BE OTHERS. THESE CHALLENGES ARE BEST ADDRESSED BY ALL OF US TOGETHER AS PARTNERS WITH AN INTERNATIONAL RISK BASED APPROACH.

I LOOK FORWARD TO WORKING WITH YOU TO THAT END.  
THANK YOU!