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**DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY
MARITIME TRANSPORT COMMITTEE**

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OECD WORKSHOP ON MARITIME TRANSPORT

SHIPPING AND THE ENVIRONMENT: DEALING WITH SUBSTANDARD SHIPS

Presentation by Canada

Paris, 8-9 January 2003

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SHIPPING AND THE ENVIRONMENT: DEALING WITH SUBSTANDARD SHIPS



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Overview

- Substandard Shipping Defined
- The Consequences
- International Efforts – Dealing With the Problem
 - Raising Awareness - OECD Policy Statement
- The Canadian Experience
- Persistence and Advantages
- Quality Shipping – A Joint Responsibility
- Moral Compass
- The Way forward

Substandard Shipping Defined

- A “substandard ship” – a vessel that through its physical condition, operation or the activities of its crew, fails to meet basic standards of seaworthiness and poses a threat to life and/or the environment

Substandard Shipping Defined

- Substandard conditions can also include deficiencies in
 - ship’s certificates and logs
 - crew qualifications
 - fire fighting equipment
 - life saving equipment
 - propulsion and machinery
 - navigation instruments, load lines, accommodations, alarm signals, radios and working spaces

The Consequences

- Abysmal living conditions for crew
- Environmental degradation – today’s focus
- High clean-up costs
- High economic costs to compliant shipping industry
- Costs to the taxpayer and consumer

International Efforts Dealing With the Problem

- **IMO** – The Driving Force of Change; a prominent player internationally with a number of Conventions for safety of ships and crew
- Australia - 1992 –release of “Ships of Shame” Report
- International Commission of Shipping - “Ships, Slaves and Competition” Report

International Efforts – OECD Raising Awareness

- **OECD** - Maritime Transport Committee- a promoter of quality shipping
- Lead: The Netherlands
- Developed paper titled *The Costs to Users of Substandard Shipping* that highlighted underlying economic factors that lead to substandard shipping and the costs to users

International Efforts – Raising Awareness

- 1998 MTC issued discussion paper - *Actions to Combat Substandard Shipping by Involving Players Other Than the Shipowners in the Shipping Market*
- Paper presents an action plan that encourages greater awareness, industry self-regulation and transparency of information; supported by IMO

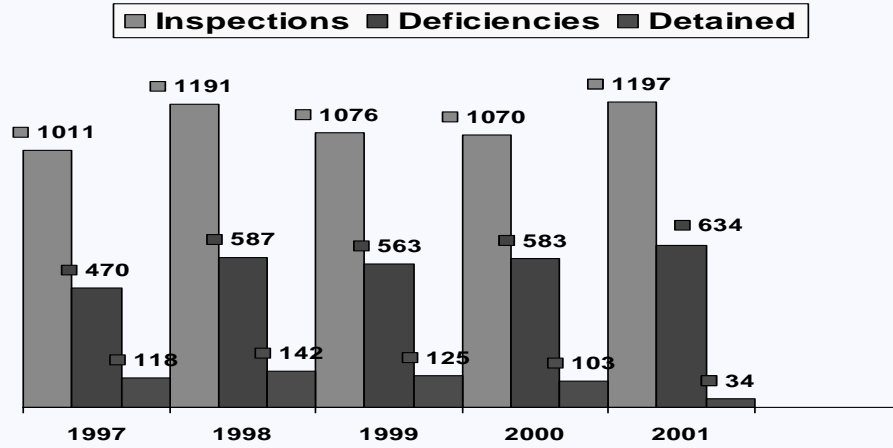
OECD Policy Statement-2002

- **strengthening Flag State effectiveness** in identification and enforcement of substandard ships
- **evaluating Classification Society performance** in detecting sub-standard vessels
- **reducing the unintended effects of insurance policies** that allow unfettered coverage of substandard ships
- **improving seafarer conditions** of work
- developing **incentives for responsible shipowners**
- elaborating on **an appropriate legal framework for proof of negligence**

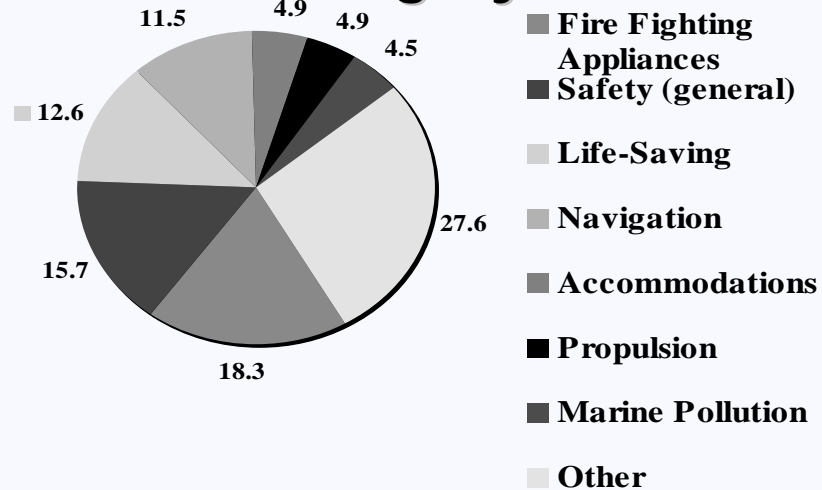
The Canadian Experience

- Canada is party to two Port State Control agreements: the Tokyo Memorandum of Understanding (MOU) and the Paris MOU
- Canada inspects around 30% of all ships; all foreign tankers inspected on first visit
- Ships that do not meet standards are detained

Ships Inspected With Deficiencies And Detained



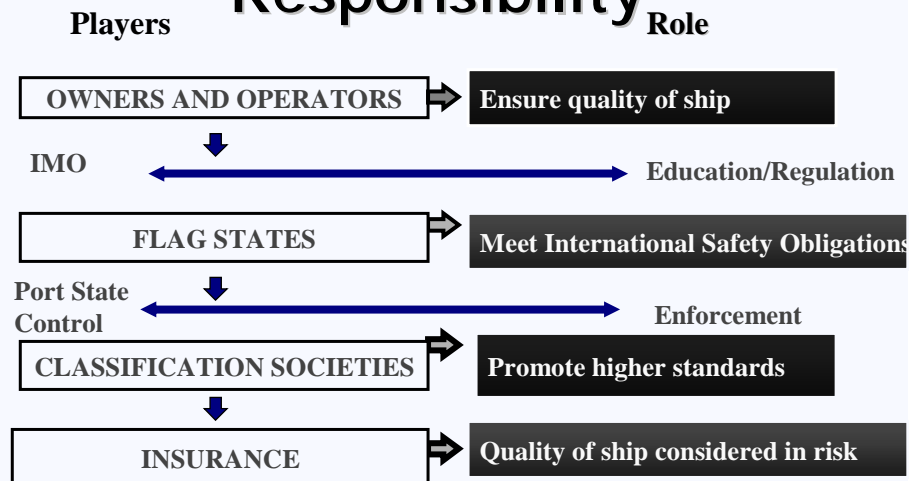
Ship Deficiencies by Category



Persistence and Advantages

- Despite efforts to combat substandard shipping it continues to persist
- Begs the question why?
- Several factors are at play:
 - Economic advantage to non-compliant ship-owners
 - Systemic deficiencies inherent to shipping industry

Quality Shipping – A Joint Responsibility



Moral Compass- Environmental Consequences



The Way Forward

- Continue to educate and raise awareness of consequences to environment
- Work in partnership with IMO to improve enforcement of existing Safety Regulations, Standards and Conventions
- Subscribe to actions outlined in OECD Policy Statement on Substandard Shipping