

**SECOND JOINT MINISTERIAL CONFERENCE OF THE
PARIS AND TOKYO MEMORANDA OF UNDERSTANDING
ON PORT STATE CONTROL**

**Vancouver, British Columbia
Canada
November 2-3, 2004**

**PRESENTATIONS BY HEADS OF DELEGATIONS
MOU OBSERVER COUNTRIES/ORGANIZATIONS**

**Presentation by Mr. Andreas Chrysostomou,
on behalf of the Minister of Communications and Works for the Republic of Cyprus**

Mr. Chairman, Honourable Ministers, Ladies and Gentlemen,

I am very happy to be with you today on behalf of the Minister of Communications and Works of the Republic of Cyprus, who unfortunately had other official duties and was unable to attend.

Mr. Chairman, the Government of the Republic of Cyprus has followed very closely the preparations for this Ministerial Conference, as an observer, and has been convinced once again that regional arrangements such as the Paris and Tokyo Memoranda played and will continue to play an important role in the fight against sub-standard shipping by being the second line of defence after flag State control.

The Declaration that the two Memoranda approved yesterday finds our acceptance and we are looking forward to its implementation by the two Memoranda.

We are extremely delighted that the Declaration aims to a further refinement and improvement of the early identification of ships that are in need of an inspection, thereby saving resources that would have been wasted if good ships were to be inspected.

Finally, we would like to thank the Government of Canada and in particular Transport Canada for their excellent organization and hospitality.

Thank you.

**Presentation by Mr. Andrus Maide,
on behalf of the Minister of Economic Affairs and Communications for the
Republic of Estonia**

Mr. Chairman, Honourable Ministers, Your Excellencies, Ladies and Gentlemen,

I am honoured to have been invited to address this Conference on Port State Control on behalf of Mr. Ansip, Minister of Economic Affairs and Communications of Estonia.

First of all, I would like to thank the Canadian Government for arranging this Conference. It is a wonderful opportunity to discuss PSC-related matters that need to be addressed.

Estonia is a small country with a long coastline and there are more than 5,000 calls of foreign ships every year at Estonian ports. Therefore, Estonia tries to make its small but effective contribution to the harmonized port State control system. I am glad to be able to say that Estonia fully meets its obligation to inspect 25 per cent of individual foreign vessels and employs highly qualified personnel for this purpose.

Additionally, Estonia fulfills its obligations in the field of ship control as a new member of the European Union. Every year, together with Swedish and Finnish inspectors, Estonia carries out host State control on all Estonian and foreign-flag regular RO/RO passenger ferries in order to guarantee their safety.

I would also like to point out that Estonia has applied the Paris MOU rules and regulations for port State control, and our personnel have attended seminars and training courses since 1995 in order to improve their competence. Since May 2001, Estonia has been taking part in the activities of the Paris MOU as an associate member. At the moment Estonia has ratified all relevant legal instruments of the Paris MOU, the latest among these being ILO Convention 147 with the Protocol of 1996 to Merchant Shipping. In 2005, the Estonian Maritime Administration plans to apply for full membership in the Paris MOU.

In the period of preparation, Estonia has received a lot of support and aid from our neighbours, especially from Finland and Sweden, to whom we are very grateful. A good example of fruitful cooperation with our neighbours is a two-year PHARE Twinning Project, "Strengthening Enforcement of Maritime Safety", which is in progress at the moment. The project is financed by the European Union, and it concentrates on maritime safety matters, with particular emphasis on PSC and flag State control issues.

Above all, the safety of maritime transport, the protection of the sensitive Baltic Sea area, as well as the human living and working conditions on board ships, are the objectives of our maritime transport policy as part of the global effort to ensure safe seafaring.

The Estonian delegation therefore fully supports the Declaration of the Conference.

Thank you for your attention.

**Presentation by Capt. Aigars Krastins,
on behalf of the Minister of Transport for the Republic of Latvia**

Mr. Chairman, Ministers, Ladies and Gentlemen,

First of all, let me express my sincere thanks to organizers for the excellent arrangements made for this Conference.

Latvia, as a maritime country where shipping is of national importance, has been working hard on the implementation of shipping safety standards since 1991. Today we have in operation modern Vessel Traffic Services in all major ports and full Global Maritime Distress and Safety System coverage along our coastline. A coastal infrastructure is in process of installation for an Automatic Identification System.

We have started full scale PSC activities since 1996 based on IMO conventions and resolutions. Since 2002, we have been a Cooperating Member of the Paris MOU. Just recently, we passed the Paris MOU Fact Finding Mission and today we are in the process of applying for full membership in this MOU, which we hope to gain by May 2005.

All these activities require investing both in marine infrastructure and the organization itself and we are thankful for European Union's assistance in covering a substantial part of these investments. We are proud of our results, which are confirmed by official statistics on PSC showing a significant decrease of Latvian ships under detention and a constant improvement in the number and quality of our PSC inspections.

I am well aware that the elimination of sub-standard shipping is not only a PSC matter; it is also a matter of flag State performance and the proper implementation of international standards. This is of utmost importance for shipowners and operators today in Latvia, when the process of re-flagging the Latvian merchant fleet back to the Latvian flag has started in response to the new taxation regime for the shipping industry.

We also consider the International Safety Management Code as a very effective instrument to verify the performance of shipowners and ship management companies and to improve safety standards on vessels operated by them. When considering flag State control, we also need to address the monitoring and supervision of Recognized Organizations acting on behalf of the flag State.

This Conference is a step forward in the global fight against sub-standard shipping. Our maritime policy is to ensure full compliance with international instruments, and to have safe, efficient and environmentally friendly maritime transport. Therefore, the Latvian delegation supports the Declaration of the Conference.

Thank you very much for your attention.

**Presentation by Mr. Evaldas Zacharevicius,
on behalf the Minister of Transport and Communications for the
Republic of Lithuania**

Good morning,

Mr. Chairman, Ministers, Distinguished Delegates, Ladies and Gentlemen,

First of all, I would like to express my gratitude to the Ministry of Transport for Canada for the kind invitation to the Second Joint Ministerial Conference of the Paris and Tokyo Memorandum of Understanding of Port State Control.

It is a great honour and pleasure for me to represent Republic of Lithuania at this meeting.

Lithuania is very much interested in the Paris MOU activities. Understanding that before exercising port State control a State should meet its full obligations as a flag State, the Lithuanian Maritime Safety Administration is taking a number of measures to eliminate sub-standard vessels flying its flag and to reduce detentions in ports. These measures have gained results - the Lithuanian flag has moved from the Paris MOU Black List to the Grey List.

On the basis of self-evaluation, our Maritime Administration has been accepted as a Cooperating Member of the Paris MOU. The monitoring team has visited our country last year to assess our progress towards meeting the full membership criteria. Several recommendations were made and our country is taking steps towards the implementation of these recommendations and, first of all, to urge the ratification of ILO Convention No. 147 Protocol to SOLAS.

We hope that Lithuania will join the Paris MOU as a full member in the near future.

Finally, I would like to say many thanks to the Government of Canada for the perfect organization of this meeting and the warm hospitality in the beautiful City of Vancouver.

Thank you for your attention.

**Presentation by the Honourable Censu Galea,
Minister for Competitiveness and Communications for Malta**

Mr. Chairman, Fellow Ministers, Distinguished Delegates, Ladies and Gentlemen,

I am very pleased and honoured to have this opportunity to participate in the Second Joint Ministerial Conference of the Paris and Tokyo Memoranda of Understanding on Port State Control. I would like to join my fellow Ministers in congratulating Canada for taking, in collaboration with the Secretariat of the two Memoranda, this important initiative. It is indeed a great experience to be here in Vancouver, a city surrounded by water on three sides, a city whose declared mission is to create a great city of communities that cares about its people, its environment and the opportunities to live, work and prosper. Is not this our vision for the maritime industry?

The hard work of dedicated people who are encouraged by the resolve of the governments represented here, as well as by representatives of the International Maritime Organization and the International Labour Organization to eliminate sub-standard shipping, led us to this Conference. This is not just another event. It is an occasion that reaffirms a very strong international political message: sub-standard shipping that is a threat to safety of life at sea, that is a threat to the dignity of seafaring - a noble profession, that is a threat to our seas - the common heritage of mankind, that is a threat to fair competition for the many shipowners and port authorities that are serious and responsible operators, that is a threat to the shipping industry that ensures the survival of the people of the world, must be eradicated.

Malta is proud to participate in this forum. Our presence here, like all the States and organizations represented, indicates our determination to be proactive. We are here because the goals of this Conference are consonant with the policy, both declared and practiced, of the Maltese Government: that of promoting and encouraging quality shipping, which in turn must be protected from the scourge of sub-standard shipping.

A great deal has been achieved. Facts and figures, even if they are not as good as we would all wish them to be, are one proof of this. The goals of the International Maritime Organization to encourage and facilitate the general adoption of the highest practicable standards in matters concerning maritime safety, maritime security, efficiency of navigation and prevention and control of marine pollution from ships are ideals that we all work so hard for. The work is bearing fruit. Since the First Joint Ministerial Conference held in 1998, the net has been tightened even more. Further progress can be achieved by “strengthening the circle of responsibility”. The highest practicable standards must be adopted by all parties universally and globally. Charity does begin at home but the threat is not eliminated by shifting sub-standard shipping from one region to another.

Malta, a small independent island State that is a member of the European Union, lies in the centre of the Mediterranean, a sea that washes the shores of three continents, astride the major arteries of shipping that link the east with the west, the north with the south. As firm believers that shipping is a global industry, we welcome to our flag and to our ports ships from all over the world, offering a service to the international maritime industry. The sea is the key to our survival, to the economic well being of our people. We firmly believe in the paramount importance of ensuring safe, secure and efficient shipping that is not a threat to the marine environment.

First and foremost we are doing our utmost to ensure quality within our Flag. Our shipowners in their large majority have responded positively. Quality is their philosophy as much as it is ours. We are encouraged by this progress but, nonetheless, we are conscious that there is more to be achieved. It is a continuous process of improvement. As one of the largest flag States, the Maltese Administration wants to reiterate its commitment to quality shipping within our register and worldwide.

However, without ever forgetting that the first responsibility lies with the shipowner and that the first State obligations lie with the flag State, we believe that the State of the port visited by a ship also has an important and responsible function to perform. Port State control tightens the net and is an essential part of the circle of responsibility. A circle has no sides but denotes unity. Cooperation between flag and port State control is essential. While statistics are one way to measure progress or regress, no matter how sophisticated the formula, it is still not the perfect method. Port State control must not be reduced to a play on numbers. This is the philosophy behind our approach to port State control.

Port State control is enshrined in our primary legislation while the tools to implement it are covered by subsidiary legislation that transposes the latest provisions of the relative European Union directive. We have thus ensured that, besides having an updated legal infrastructure to effect port State control, our legislation can be rapidly tuned to the latest developments without necessarily going through the long processes that are sometimes required by parliaments.

Over a thousand different foreign ships call in our two commercial ports annually. Two teams of Port State Control Officers carry out inspections according to a system and procedures that are in line with those of the Paris MOU. This year, I am informed, should see us attaining an inspection rate well above 25 per cent of the individual calls from ships that enter our ports. This notwithstanding, we are mindful that we have to continue to progress further with capacity building. The Malta Maritime Authority, as the government body responsible for port State control, will continue with its recruitment of suitably qualified inspectors in order to ensure that it continuously has sufficient personnel even though, in this regard, we face the same problems as other administrations. With the help of the International Maritime Organization, through its training institutions, the European

Commission through its pre-accession and transition facility funding, the Paris MOU, through its seminars and other initiatives, and with the technical cooperation of other administrations, particularly those of European Union Member States, we are progressing steadily towards a higher level of professionalism, technical know-how and experience.

The strength of an effective port State control regime, however, lies in regional cooperation. The Malta Maritime Authority is a founding member and active player in the Mediterranean Memorandum of Understanding on Port State Control, which currently covers ports in the central and south Mediterranean and part of the Red Sea. It is a regime that still faces great difficulties. Nevertheless, it is a developing network that is and will continue to be a means of upgrading the maritime Administrations in the region and that can also contribute towards the elimination of sub-standard ships which, because of their trading pattern, will not be covered by the net thrown by the more developed port State control regimes. The involvement in this regime of the maritime authorities in the whole Mediterranean region can no doubt assist in this development.

The Paris MOU has already shown its good will by starting the process that could lead to Cyprus and Malta becoming full members of this Memorandum without having to renounce their membership of the Mediterranean MOU. It has, of course, been made clear that both Administrations must abide by the more sophisticated and strict systems governing the Paris MOU and, consequently, the Mediterranean MOU might have to adjust its rules so as to avoid any conflicting criteria and responsibilities of these two members. We have made our commitment towards the system and standards of the Paris MOU regime. As well, I understand that the Mediterranean MOU has already started the process of making the necessary adjustments to its rules and systems. Meanwhile, this year, Malta has been accepted as a Cooperating State within the Paris MOU and we are committed to attaining the standards required so that we can achieve and retain full membership, and also fulfill our obligations in terms of the *acquis communautaire* that is now part of our legislation.

Inter-regional action and cooperation further tightens the net and strengthens the circle of responsibility. This can lead to the harmonization of standards, systems and procedures. In turn, this can achieve uniform implementation. It is important, however, that much as regional strength and cooperation need not be attained through the suppression of national action and initiative, harmonization must not be achieved through the lowering of standards that in turn will decrease the effectiveness of the development that has been made. The principle applied in the case of the membership of Cyprus and Malta in both the Paris and Mediterranean memoranda must be applied throughout.

It is important that the Declaration that we have in front of us aims towards the higher standards because we cannot afford to prejudice any further development for increased effectiveness of port State control. This would be detrimental to our goals of eliminating

sub-standard shipping and the promotion of quality shipping. In the same way that we want to avoid flag and class hopping, we should also not allow port shopping.

The day must come when sub-standard ships will have nowhere to trade and that the sub-standard operator will be driven out of the industry. Effective port State control can help, although not on its own, to achieve these goals. Regional and inter-regional cooperation can strengthen the circle of responsibility. Shipping by its nature is a global industry and the global approach has to be adopted. We would have liked to see with us at this Conference, as observers for the time being, representatives of other Memoranda, in recognition of their efforts. We can understand, however, that there could have been some difficulties in achieving this. We augur that they could be with us another time as we also augur that, one day, this could develop into an Inter-Ministerial Conference of all Memoranda on Port State Control.

I hope that, by that time, the theme of such a conference will not be the elimination of sub-standard shipping, but will focus on port State control as a tool to ensure ongoing quality shipping.

Thank you for your attention.

**Presentation by Rear Admiral Thomas Gilmour,
on behalf of the Secretary of Homeland Security of the United States of America**

On behalf of the Secretary of Homeland Security and the Commandant of the U.S. Coast Guard, I would like to thank Canada for hosting this Second Joint Ministerial Conference and for inviting us to participate in it.

I firmly believe that all of us sitting around this table truly want to eliminate sub-standard shipping and each of us individually has taken steps to achieve that goal. But, what each of us has accomplished individually pales in comparison to what we can do collectively working together to achieve the goal of eliminating sub-standard shipping. I thank you all for the opportunity for the U.S. Coast Guard to cooperate with each of the port State control MOUs around the world and I look forward to continued cooperation with each of you.

Turning specifically to the theme of this conference, “Strengthening the Circle of Responsibility”, I believe that we are taking the absolutely essential next step in expanding our network beyond port States and inviting within our circle the major players from industry, the seafarers, the classification societies and insurers. Only with all of us, both government and the private sector, working together and resolved to hold each other accountable, will we be effective in achieving our ultimate common goal of total elimination of sub-standard shipping.

Coordinating and working together is essential to maintaining persistent pressure on ship operators, owners, managers, classification societies and flag administrations to meet their responsibilities as the primary defense against sub-standard shipping. When confronted with a united effort by the parties in the circle of responsibility, those who attempt to gain from sub-standard shipping will be denied the profits gained by putting others at risk by the network of port State control authorities who have come together to expose the profiteers. As a result, they will have no choice but to bring their ships up to international standards or go out of business.

Two other items of particular importance to us that are addressed in the Declaration are maritime security and the IMO Member State Audit Scheme.

As I am sure all of you know, maritime security is the Coast Guard’s top priority, as evidenced in part by our move from the Department of Transportation to the newly formed Department of Homeland Security. We strongly believe that the adoption of the International Ship and Port Security (ISPS) Code and the related amendments to SOLAS at the IMO diplomatic conference in December 2002 were crucial to improving maritime security. We thank Secretary General Mitropoulos for his efforts in this matter. In the United States, we have vigorously enforced the ISPS Code and the SOLAS amendments upon their entry into force in July of this year and we will continue to do so. I would encourage you all to be just as vigilant.

With regard to the IMO Member State Audit Scheme, we fully endorse the establishment of criteria that encourage States to undergo an IMO audit and make the audit findings

transparent. But that is only the first step; eventually in the not too distant future, we must all, as the Declaration we are all signing states, “strive to make the IMO Member State Audit Scheme mandatory”. In our opinion, such a mandatory scheme will go a long way toward improving the quality of all flag States.

As the delegation said at the First Ministerial Conference six years ago here in Vancouver, we can pat ourselves on the back for holding another successful ministerial conference by agreeing to the Declaration that we will sign tomorrow. However, the real success of this Conference will be measured not on what the text of the Declaration says but, rather, on what we do to transform the words of the Declaration into actions that unequivocally demonstrate our total commitment to improving maritime security and eliminating sub-standard shipping. The U. S. Coast Guard looks forward to working with each of you, both governments and industry alike, to achieve this common goal.

Thank you Mr. Chairman.

**Presentation by Mr. Philippe Burghelle-Vernet,
on behalf of the Vice-President and Commissioner for Transport and Energy
for the European Commission**

Mr. Chairman, Ministers, Ladies and Gentlemen,

First, Ms. de Palacio, Vice President of the European Commission with responsibility for Transport, has asked me to convey to you her apologies for being unable to attend this important Conference and to praise the Government of Canada for this initiative.

Since the first conference in Vancouver, Europe has witnessed two major disasters: the sinking of the ERIKA and of the PRESTIGE. Both of these accidents had grave environmental, economic and political consequences. Europe responded by fortifying its legal arsenal, in order to:

- strengthen the port State control regime and improve the surveillance of traffic in European waters;
- improve tanker safety;
- strengthen the monitoring of EC-recognized classification societies; and
- and create a European Maritime Safety Agency with a mandate to assist the European Commission and the European Union in drafting and enforcing our legislation.

Since the last Vancouver Conference, there has been progress within Europe and internationally and this progress, combined with the work on the Tokyo and Paris MOUs, has had an impact evidenced by the falling number of spills and other accidents involving tankers has been falling.

But this news must not lead us to relaxing our vigilance. The risk of a serious accident cannot be ignored, insidious operational pollution has not been contained and, in all likelihood, public opinion will tolerate no further environmental disasters or loss of life at sea. While it may be unrealistic to hope to achieve “zero risk”, governments should at least bear in mind the public’s “zero tolerance”.

So it is up to us to prove that more pressure will be brought to bear on flag-of-convenience States and on transgressors in the shipping industry. In this connection, the Commission wholeheartedly endorses the Declaration’s emphasis on the paramount responsibility of flag States. If there are still garbage ships on the seas, it’s partly because there are unscrupulous owners around, but it’s also because there are flag States that are not doing their job.

In its efforts to contribute to “strengthening the circle of responsibility”, the European Union, in fact, enjoys a major advantage over other international bodies that bear the onerous burden of establishing universal standards yet lack a coercive mechanism for enforcing them. International or specific regulations integrated in the legal order of the

European Union apply to the member States that vested authority in it. If necessary, the European Court of Justice can enforce compliance with these regulations.

This advantage has become even more invaluable to our common effort since the addition of two more States, Norway and Iceland, to the group of 25 States required to apply European legislation.

But there are other valuable aspects of the Vancouver Declaration besides the issue of flag States that I want to talk about.

One of these is the focus on the human and social dimensions of the shipping industry. The EU has already taken steps to intensify this focus, but an even bigger step will be taken once the ILO Consolidated Maritime Labour Convention comes into force. When the time comes, the Commission will recommend its entrenchment in European law. The Commission is also studying the feasibility of EU participation in the rights and obligations arising from the Convention.

Another aspect is the development of a quality shipping industry, which needs to be encouraged much more vigorously. One of the ways to do this is to ease the inspection process for vessels that deserve this special treatment. This more lenient treatment should be balanced by a regime of more frequent, thorough inspections of high-risk ships and, possibly, by the imposition of more severe penalties.

Transparency is another area that needs more work. In this connection, information on all parties involved in the detention or refusal of access of vessels into ports should be published.

Lastly, the European Union will continue to support the development of international measures to improve safety. It has already incorporated the ISPS code in its legal order.

Thus, there are many things in the Declaration that address Europe's concerns. For its part, the Commission plans to introduce a set of legislative measures next year that will reflect these concerns in order to:

- guarantee that the member states of the Union will fully assume their responsibilities as flag states;
- continue to strengthen port State control by working to prevent the emergence of new ports of convenience and by adopting narrowly focussed control measures; and
- improve traffic monitoring by implementing SafeSeaNet, a European Platform for Maritime Data Exchange on vessel and cargo movements.

Of course, rigorous enforcement of the standards adopted by the IMO and the ILO is a core concern of ours. The enlarged European Union will play its role in these organizations to the fullest, to ensure that international maritime transport is as safe as it can be.

Mr. Chairman, the second Vancouver Declaration, which will be signed tomorrow, is a solid basis for our common task. The European Union will duly consider its recommendations in deciding what action to take. In this spirit, the Commission, whose job it is to propose European legislation and monitor compliance with it, intends to continue the dialogue with everyone who believes that elimination of sub-standard shipping is not only an absolute necessity but also a realistic objective, as long as we give ourselves the means to attain it.

Thank you.

**Presentation by Mr. Norman Jennings,
on behalf of the Director General of the International Labour Office**

Mr. Chairman, Honourable Ministers, Ladies and Gentlemen,

It is an honour for the International Labour Office (ILO) to take part in this Second Joint Ministerial Conference of the Paris and Tokyo Memoranda of Understanding on Port State Control, and I would like to bring you the very best wishes from Mr. Juan Somavia the Director General of the ILO.

The ILO has been associated with both the Paris and Tokyo MOUs from their inception through its status of observer but also and more concretely by the inclusion, in both the Memoranda, of the ILO's Convention No. 147: the Merchant Shipping (Minimum Standards) Convention. The ILO has an effective international process for verifying whether its Members are properly implementing their obligations under conventions that they have ratified. This process is further strengthened in that it involves representative organizations of employers and workers in the verification. However, Convention No. 147, which was adopted in 1976, specifically to deal with the problem of "sub-standard ships", went one major step further than its predecessors: it included in the "Circle of Responsibility" States other than the Members ratifying the Convention, namely, the port States. It recognized their importance in upholding the minimum standards of the Convention whenever the flag State was not properly exercising its responsibilities. In addition, Convention No. 147 seeks to establish, through port State control, a level playing field covering all ships, including those of countries that have not ratified the Convention.

I would stress that Convention No. 147 does not place a legal obligation on port States to carry out such inspections or to take measures. Port State control is a valuable service provided voluntarily by States acting individually and cooperating regionally through the Memoranda of Understanding and, of course, at the inter-regional level. It has certainly improved the implementation of standards for ship safety and protection of the marine environment by helping to reduce the viability and commercial incentives for using sub-standard shipping. From the perspective of the ILO, we particularly appreciate the contribution of the Paris and Tokyo MOUs in improving conditions for seafarers through the verification aboard ships of the application of certain aspects of Convention No. 147. This has certainly drawn attention to the need for decent conditions of work and life of seafarers and brought about substantial improvements. It has also played a significant role in ensuring more effective ongoing implementation of standards on ships registered in countries that have ratified Convention No. 147, and also in other countries. An example has been the tremendous impact of the concentrated campaigns on hours of work and on food and catering in the last few years.

As you know, over the past three years the ILO has been preparing a new Convention that, it hopes, will place the working and living conditions of seafarers at the same level of

international prominence as safety at sea and protection from marine pollution are placed by the IMO's SOLAS and MARPOL Conventions. It is a Convention on maritime labour standards that will consolidate, as far as possible, and bring up to date the standards in international labour Conventions and Recommendations adopted by the ILO since 1920 in the maritime sector. The most important of these is, of course, Convention No. 147. The new Convention will have a novel structure for the ILO as well as several important innovative features. Some of these draw upon successful aspects of IMO Conventions but have been adapted to fit in with the particular situation and tripartite structure of the ILO. One of the novel features is the emphasis that will be given to ensuring ongoing compliance with the substantive provisions of the Convention. A comprehensive compliance and enforcement system will be the subject of one of the five Titles or core regulatory parts of the Convention, in addition to the more overall State obligations in the Articles. This system adopts an approach based on the flag State certification system now found in the relevant IMO Conventions. There will be a line perhaps (rather than a circle) of responsibility for ensuring that the standards of the Convention are not only complied with but also seen to be complied with. The line will begin with the seafarers themselves followed by the shipowners, which will be required to draw up a "declaration of maritime labour compliance" to accompany the certificates for their ships and to be produced for inspection with the certificates. The line of responsibility will then reach the competent national administrations (or Recognized Organizations acting on their behalf), in particular those responsible for inspection and certification. They will be required not only to have effective systems of inspection, but also to establish clear objectives and standards as well as adequate procedures for assessing their achievement. The line will continue to the international supervisory process; in particular, information on the national systems and the method of their assessment will have to be included in the reports submitted by ratifying States to the supervisory bodies of the ILO.

Of course, the Convention has not yet been adopted. It will probably be submitted to the International Labour Conference for adoption in early 2006. However, I can be reasonably certain of the provisions as described so far since they result from three years of discussion and are reflected in the draft of the Convention proposed by the recent Preparatory Technical Maritime Conference in September. This Conference was open to all Member States of the ILO. The text submitted to it was of unprecedented length and the preparatory conference was unfortunately unable to review the whole of the Convention. However, the new draft that it has proposed contains most of the provisions that were envisaged, subject to the possible modification of details, and reflects the structure and direction that I have outlined. One of the gaps in the new draft relates to a very controversial issue, namely, a proposed extension of the grounds for port State inspectors to detain a ship, beyond conditions "which are clearly hazardous to safety and health", as provided for in Convention No. 147. All the gaps and other outstanding questions will be dealt with in various meetings in 2005.

Even with its gaps, however, the new agreed draft of the Convention already gives port State control an even greater role than now under Convention No. 147. The provisions to be verified will be set out in the Convention itself (rather than referred to in Appendices as in C147); the inspection can, where appropriate, be limited to an examination of the certificate

and declaration of maritime labour compliance and, above all, there will be a much wider information base to record significant deficiencies found by inspectors, enabling international coordination of action in such cases.

One major question in this connection will need to be dealt with in the Convention or in related guidelines: what kinds of working and living conditions could reasonably be the subject of port State control? In fact, a proposed list of areas that could in principle be inspected was not decided at the recent Preparatory Conference. I understand that not all aspects of conditions of work and life at sea are currently verified by port State control. There is clearly a need for proper guidance at the national, regional and international levels as to how the inspection that will be required under the Convention should be approached. The ILO considers that preparatory work for the development of an inspection regime for the new ILO Consolidated Maritime Labour Convention should begin now. It is particularly keen to develop detailed guidelines for inspectors as well as the corresponding training resources. The ILO would also like to be able to provide technical assistance to States that are in need of such assistance in order to hasten the global application of the Convention. We are therefore hoping that the States of the Paris and Tokyo MOUs will take the lead in providing this technical cooperation and that there will be, as usual, close cooperation in developing the guidelines and the training with the MOUs. We would like to take example on the way that guidelines on hours of work were developed during 2002 and 2003. In addition, it would be most helpful if expertise from the MOUs could be available to the ILO when it is putting the finishing touches to the draft consolidated Convention next year. We need to be sure that the relevant provisions are considered feasible from the point of view of port State inspection.

I am not sure that I have said very much that is new to this Ministerial Conference. Most of the issues concerning the role of port States in the ILO's future Maritime Labour Convention are adequately covered in the very comprehensive Draft Joint Ministerial Declaration. We are particularly heartened by your support for the future consolidated Convention and for the work of the ILO in this regard as highlighted in the Declaration and by the place that is given to ensuring decent working and living conditions for seafarers, side by side with safety at sea and the prevention of pollution.

We are also pleased by the references to the work of the ILO and particularly the adoption of the Seafarers' Identity Documents Convention (Revised), 2003 (No.185). This Convention will enter into force on 9 February 2005. It is now up to ILO member States to ratify the Convention and issue their seafarers with the appropriate identity documents. The global implementation of this Convention should help provide the positive identification of seafarers, thereby assisting countries to implement proper security regimes. The ILO calls on all States to facilitate the legitimate movement of seafarers holding such documents.

Finally, I would like to thank the Paris and Tokyo MOUs for their cooperation on maritime labour issues and their contribution to the goals of the ILO in the maritime industry, ensuring more decent conditions of work and life to those who enable the maritime industry to function efficiently: the seafarers themselves. Thank you also for giving the opportunity

to the ILO to participate in this important meeting and to make its contribution to strengthening the circle of responsibility in the maritime industry.

Thank you.

**Presentation by Mr. Efthimios E. Mitropoulos,
Secretary-General of the International Maritime Organization**

Mr. Chairman, Ministers, Ladies and Gentlemen,

It is a pleasure for me to be with you today and I appreciate very much the opportunity to speak to you on the subject of port State control. I thank the Government of Canada for hosting the Conference once again and the organizers for the excellent arrangements.

Despite its original conception as primarily a back-up system to support the efforts of flag States, there can be little doubt that the importance of PSC has grown enormously, and it is now a major component in its own right of the safety, security and environmental protection net surrounding international shipping.

Experience to date has shown beyond any doubt that cooperation between and among countries - enabling PSC information to be shared, resources to be used more effectively and inspections to be coordinated, targeted and better organized - greatly increases the pressure on sub-standard shipping. The Paris MOU of 1982 was the first to formalize such cooperative arrangements and has paved the way for several other regional agreements, which together cover most of the world. Today, in addition to the Paris MOU, we have in place the Acuerdo de Viña del Mar, the Tokyo MOU, the Caribbean MOU, Mediterranean MOU, Indian Ocean MOU, West and Central African MOU, the Black Sea MOU and the Cooperation Council for the Arab States of the Gulf: and IMO takes pride in having played a key role in the development of these MOUs and regional agreements.

A huge opportunity now exists to build upon the good foundations that already have been laid. I believe that a consistent, uniformly applied PSC regime with global outreach, embracing all the regional schemes, and others such as the United States Coast Guard, should be a common objective. To achieve this, existing PSC activities need to be harmonized and coordinated. By meeting here in Vancouver, you are helping to bring closer the benefits that would accompany such a vision.

There are, however, a number of serious issues confronting PSC today that suggest that achieving these objectives will not be plain sailing. But I have no doubt that your participation here signals your willingness to be pro-active in addressing them.

For example - funding: with budgets increasingly coming under critical spotlight from Governments, the PSC community is already exploring alternative, more flexible funding arrangements. This is especially pertinent to the theme of this Conference, "Strengthening the Circle of Responsibility", carrying, as it does, the clear implication that the wider stakeholder group may need to become actively involved in some way.

Uniform standards of quality throughout the various PSC regimes are essential to create a climate of mutual confidence and, in this context, the shortage of well-trained and qualified personnel in the shipping industry is a serious concern. Although currently most acute

within the seafaring sector, its effects will soon begin to be felt in other sectors that draw heavily on ex-seagoing personnel and PSC cannot be considered immune.

Another important issue, which is addressed in the Declaration that you are about to sign, relates to the allegation of reported corruption in PSC activities. Recognizing the leading role the Paris and Tokyo MOUs can play in assisting emerging MOUs, the Declaration contains a commitment to cooperate in this regard and encourages the preparation of a code of good practice for Port State Control Officers. On behalf of IMO, I, too, offer my support for this.

The two MOU organizations are already making a strong contribution to the promotion of transparency in all dealings and the Declaration quite rightly recognizes the importance in this of the parts played by the industry, by EQUASIS and by all other PSC and regional agreement regimes in enhancing the overall transparency of maritime data. This, in turn, is likely to give rise to a more focussed targeting system, which could allow PSC activities to concentrate more on sub-standard shipping, while also having a positive impact on the effort to reduce multiple inspections to the minimum possible.

IMO has always lent strong support to the notion of transparency of maritime data, as illustrated by the role of the Organization as a data provider for EQUASIS, and the continuing development of the IMO Global Integrated Shipping Information System (GISIS), which will contain a PSC module to capture data from port States and all PSC and regional agreement regimes on their inspections and detentions.

The efforts the various MOUs and regional agreements make to eliminate sub-standard shipping are highly appreciated and I have great pleasure in acknowledging this today. Your work to enhance maritime security is of the highest importance if we are to continue serving shipping, the seaborne trade and the world economy efficiently and effectively, and I thank and congratulate all parties concerned for the commendable efforts to contribute to the implementation of the ISPS Code in a thorough and systematic, yet pragmatic and reasonable, manner.

At the same time, I share the expectation expressed in the Declaration that enhanced security will have a beneficial impact in reducing the incidence of piracy and armed robbery against ships.

Mr. Chairman, the Declaration before this Conference expresses strong support for IMO activities and initiatives, including the audit scheme IMO is currently developing and which I fully support in all respects. IMO, in turn, has always supported not only the concept of PSC but also, in practical terms, the work of the various regional PSC regimes. The Organization fully acknowledges and values the contribution to enhanced maritime safety, security and environmental protection made through PSC activities; moreover, we have, since the beginning of the year, established a new section within the Maritime Safety Division to help promote harmonization and cooperation among the different PSC regimes worldwide, in addition to the workshops we organize at IMO Headquarters every two years to achieve the same goal. Indeed, cooperation among all parties concerned, including

industry organizations, should be a guiding principle and I am confident that the initiative of the Government of Canada to bring us all here to discuss ways and means to promote PSC activities worldwide will prove its usefulness and bear fruit soon.

Thank you.

**Presentation by Mr. Vitali Kliuev,
on behalf of the Secretariat of the
Black Sea Memorandum of Understanding on Port State Control**

Mr. Chairman, Distinguished Delegates, Ladies and Gentlemen,

First of all please let me, on behalf of all member States of the Memorandum of Understanding on Port State Control in the Black Sea Region, the MOU Committee, and the MOU Secretariat, express sincere appreciation for granting this organization the opportunity to participate in the Conference and to introduce the organization goals and activities.

The Black Sea MOU, the youngest regional port State control organization in the world, entered into force on 19 December 2000. The member Authorities of the Memorandum are committed to the objectives of improving maritime safety and protecting marine environment from ship-sourced pollution with the development and implementation of the Black Sea MOU.

Achieving these objectives requires implementation of an effective port State control regime, and the Maritime Authorities devote all possible resources to the port State control inspections. These inspections remain a highly effective weapon in combating unseaworthy and sub-standard shipping, and the continuing inability or unwillingness of some flag States and ship operators to fulfill their obligations under the international maritime conventions.

Members of the MOU Maritime Authorities of Bulgaria, Georgia, Romania, the Russian Federation, Turkey and Ukraine have embodied the principles of the Black Sea MOU by maintaining an effective system of port State control with a view to ensuring that, without discrimination, foreign vessels visiting Black Sea ports comply with the applicable international standards. To coordinate the daily activities of the organization on the kind proposal by the Maritime Administration of Turkey, the MOU Authorities decided to establish headquarters and the Secretariat in Istanbul. With the agreement of the Tokyo MOU, the Russian Federation has developed and launched the Black Sea Information System (BSIS), a PSC computerized information system for the Black Sea MOU based on the technique used for the Asia Pacific Computerized Information System (APCIS), the PSC information system for the Tokyo MOU that was also developed by Russia.

The Black Sea MOU responds to world events in addressing new safety requirements, maritime security, working and living conditions, training, and certification issues through action at the International Maritime Organization and the International Labour Organization. Port State control will no doubt be a crucial tool in ensuring that all measures are effectively implemented in future and, through member Authorities' active engagement in their development, the Black Sea MOU will be well placed to respond to any challenges presented.

This organization pays great attention to the global harmonization of the port State control procedures. Thus, the Black Sea MOU is accepted as an observer to several regional PSC agreements, that is, the Tokyo MOU, the Mediterranean MOU, and the Indian Ocean MOU. In return, the fore-mentioned organizations are observers to the Black Sea MOU. The Black Sea MOU has applied for observer status to the Paris MOU and the Paris MOU Committee has granted associate status on a technical and administrative basis, which I am sure will be instrumental for further enhancement of the port State control in the Black Sea region. This organization has participated in recent Concentrated Inspection Campaigns on maritime security together with the Paris and Tokyo MOUs and U.S. Coast Guard. As a part of global cooperation activity, the Black Sea MOU, in collaboration with its Tokyo MOU colleagues, introduced a project of mutual port State control data exchange via respective regional information systems. As a result, the officers of both regions may collect more comprehensive data related to ships to be inspected for more focused and more targeted inspections. According to my information, this project is the only working project of its kind in the world. Taking this opportunity, I would like to invite other regional port State control organizations to follow the idea and to promote the establishment of mutual information exchange as a basis for further improvement of cooperation on a global level.

The Committee of the Black Sea MOU considers transparency of PSC activities as one of the most important elements in achieving the goals of PSC - full implementation of international standards in maritime safety, security and environmental protection. To provide industry with the MOU news, procedures and inspection results, the Black Sea MOU launched an Internet Web site containing general information on the MOU, a regularly updated detention list, and a direct link to the MOU database providing on-the-fly inspection results. The Black Sea MOU issued its second annual report, for the year 2003, and the report will be presented to appropriate IMO bodies for consideration. The report is already available to the public on the MOU's website.

As a long-term task, the organization intends to inspect all ships coming to the Black Sea. As an initial measure, the Black Sea MOU Committee decided to inspect 15 per cent of individual foreign ships calling at ports of each MOU Authority. According to the 2003 Black Sea Annual report, 45 MOU ports made 5,228 PSC inspections. It is expected that the fore-mentioned initial regional inspection rate will be achieved this year.

It is clear from the PSC practice that the regional approach to the activity is the most effective one. At the same time, only globally harmonized efforts may lead to achieving the goals of our activities. In this respect, the Black Sea MOU Authorities confirm their support to the International Maritime Organization as a leader and coordinator of port State control. The Black Sea MOU was initiated by IMO and supported by it in many aspects, including training and technical cooperation projects. The Black Sea MOU is of the opinion that the Workshops for Secretaries and Directors of Information Centres of the regional agreements on port State control, organized by IMO every two years, are very useful and should be continued. The last Workshop established a Contact Group on Information Exchange, which should promote inter-regional cooperation. Active participation by representatives of

all regional PSC regimes in the Group's activities will contribute to the goals of this Conference.

The last PSC Committee of the Black Sea MOU discussed the draft Declaration to be signed here. In spite of the fact that the Black Sea MOU is just an observer to the Conference, the Committee considered that the Declaration ideas were very useful and might be supported and utilized by the Black Sea MOU. The Committee agreed to implement the Declaration provisions in the Black Sea region as much as possible and to cooperate with both the Paris and Tokyo Memoranda in that implementation. I assure the Conference that its outcome and the Declaration signed will be duly reported to the Black Sea MOU Committee with a strong recommendation to follow the Declaration provisions as may be applicable to the Black Sea region.

In conclusion, I would like to express my sincere appreciation to the Canadian Government and in particular to the Honorable Minister of Transport for Canada for the kind invitation to participate in the Conference. And I wish all the participants every success in our work on safe navigation, clean oceans and secure shipping.

I thank all the staff who assisted at the Conference and provided wonderful hospitality and an unforgettable reception.

Thank you for your kind attention.

**Presentation by Mr. Leighton F. Bennett,
Secretary of the Caribbean Memorandum of Understanding on Port State Control**

Mr. Chairman, Honourable Ministers, Esteemed Delegates, Ladies and Gentlemen,

On being invited to this august forum, I am deeply honoured.

To the organizers: the cold, meticulous precision associated with your many nights of planning has resulted in the overwhelming warmth and hospitality you have delivered thus far.

We, the delegates, have indeed been welcomed.

Mr. Chairman, Section 5.1.17 of your Declaration, which expresses determination "...to support the provision of technical cooperation to other port State control regions...", I must shyly admit to an affair that has been on going between the Caribbean MOU and Paris MOU. You may inquisitively enquire if children are expected, seeing that more than nine months have elapsed. I must admit that the fruits have been "regular advice", places on Paris MOU courses and general guidance on the procurement of an Information System that is in its contractual stage.

Mr. Chairman, I would like the record to reflect that Alan Cubbin, Richard Schiferli and Richard Day have all been agents in ensuring that this "determination" mentioned in 5.1.17 of your Declaration is translated into "implementation".

Mr. Chairman, as mentioned earlier, the Caribbean MOU is in the contractual stages of concluding an agreement with Transport Canada concerning a Licensing Agreement for the use of the Canadian Port State Control Information System. The choice was long in coming due to the many criteria set, but it must be pleasing to know that the criteria of being the best option and the fact that Canada never had a colony proved a winner for Canada. Mr. Chairman, this Ministerial initiative encourages emerging MOUs to start figuratively "singing from the same sheet" as other established MOUs, meaning that we must move towards a harmonized standard for PSC inspection.

Sir, on the point of singing I will depart, as my mother always warned against teaching dogs to sing as there can only be two possible outcomes: the first being it wastes your time and, secondly, it makes the dogs angry. Sir, I must proudly add that the Caribbean MOU is not angry and we too are singing the support of this Ministerial initiative in ridding the seas of sub-standard ships.

I thank you.

**Presentation by Mr. Bimalesh Ganguli,
Secretary of the Indian Ocean Memorandum of Understanding on
Port State Control**

Mr. Chairman, Honorable Ministers, Distinguished Guests,

The Indian Ocean Memorandum of Understanding (IOMOU) on Port State Control expresses its heartfelt thanks to the Honorable Minister of Transport of Canada for extending an invitation to IOMOU to attend this Second Joint Ministerial Conference.

It is strongly felt that the associations and experience gathered here will go a long way to help the IOMOU in its endeavour to achieve its goal. The wonderful hospitality and the beautiful arrangements will be long cherished by me.

I am sure that this Conference will have positive impact on controlling sub-standard ships all over the world.

Thank you once again.

**Presentation by Mr. George Barclay,
Executive Director of EQUASIS**

Mr. Chairman, Distinguished Ministers, Ladies and Gentlemen,

I would like first of all to express my sincere thanks to you for inviting EQUASIS to participate in this Second Joint Ministerial Conference on Port State Control. I appreciate the current opportunity to address you.

The continued support by the Paris and Tokyo MOUs from the beginning of EQUASIS has been a decisive factor in its success. Data provided by both Memoranda are highly sought after by EQUASIS users and, through our wide audience, we aim to give the maximum publicity to the results of inspection reports. Also, by collating information from 37 different sources and presenting it in a synthetic manner, we hope to be, in our turn, useful to Port State Control Officers in the course of their activity.

EQUASIS understands the importance of improving transparency in shipping. In fact, transparency is our sole *raison d'être*. Exposing the facts in plain view is not simply a matter of designating the actors with a poor performance record. It is also a question of making all parties face their responsibilities so nobody can say: "I did not know". We participate in that goal by providing a free service that is open to all without restrictions. It is also one of our principles to give our users the means to form their own judgment instead of supplying them with a pre-formatted answer.

Port State control data being paramount to EQUASIS, our efforts in that domain must go in two directions. One is to integrate, if they so wish, data from other PSC regimes. We are currently designing criteria to that effect. These criteria will need to be objective and undisputed. They will be inspired by the principles of the Joint Declaration regarding integrity, professionalism and transparency. Indeed, these are the key issues. The development of a code of good practices by the Paris and Tokyo MOU and its subsequent promotion in other parts of the world is exactly what we need to make sure we keep the industry and all parties interested in shipping informed in a consistent and satisfying manner.

The second direction in which we work is to increase efficiency in the service we provide. With 37 providers, normalization of data format is of prime importance to us and since the beginning we have worked with our suppliers to that effect. For instance, all our data sources use the IMO number to identify ships. Cooperation between partners plays a great role here, taking into account the technical necessities of all parties, and ensuring that data are presented to the user with clarity, consistency and performance.

I would like also to express the full support of EQUASIS to the circle of responsibility this conference is building. The challenge can only be met through the joint effort of all involved, and EQUASIS intends to fully play its part within its remit. To this effect, we are

committed to increasing our data coverage, improving the quality of our data, and expanding our usage in all areas.

Finally, Mr. Chairman, I am confident that the cooperative spirit of this conference will continue. It is EQUASIS' hope that a step forward to building a circle of responsibility will be taken here. I would like to stress the continuing support of EQUASIS in working with you to that end and conclude by thanking Canada for the organization of the conference.

Thank you.

**Presentation by Mr. Steven McIntyre,
on behalf of the International Association of Classification Societies**

Mr. Chairman, Ministers, Ladies and Gentlemen,

The International Association of Classification Societies (IACS) appreciates the opportunity to address you at this important conference.

Since the First Joint Ministerial Conference in 1998, the “net” has indeed been “tightened” in a number of ways and IACS continues to give its full cooperation and support to the aims and objectives of port State control.

As the world’s 10 leading classification societies, IACS members share core objectives with you: safer ships, cleaner seas and the elimination of sub-standard shipping.

The IACS members provide classification services as well as statutory certification services, acting as Recognized Organizations or Recognized Security Organizations on behalf of over 100 flag States, to over 90 per cent of the world’s merchant fleet.

Effective cooperation and transparent communication with port State control are clearly in our mutual interest. In fact, full cooperation with port State control and prompt response, on request, continue to be obligations for IACS Societies.

When port State control began, its unscheduled inspections were seen primarily as an additional control on flag State control. With time, they have also become a basis for cooperation between responsible shipowners, classification societies and flag States.

Today, port State control statistics have become one of the most important performance indicators for owners, classification societies and flag States alike, providing strong incentive for each to stay off of the PSC “black” or “gray” lists.

With this incentive, and the procedures required by the International Safety Management (ISM) Code, responsible shipowners actively aim to eliminate any deficiencies on board, keeping their vessels in good condition in the periods between class and flag State inspections and audits.

Class has also become a targeted element of your port State control regimes, as well as that of the USA. Statistics of detentions with “class-related” deficiencies have become one of the most important key performance indicators for classification societies.

The publication of this information in the MOU Web sites and annual reports is, for the sake of transparency, quite welcome. However, ranking the performance of flag States and class societies clearly has a very strong influence on their reputation and their activity. It is therefore essential that this information is impartial, accurate and verifiable.

For IACS members, it is also very desirable that the criteria for assessing detentions with “class-related” deficiencies, as well as appeals procedures, be as clear and uniform as possible worldwide. We appreciate the efforts that your regimes, and that of the USA, have made in this regard and we encourage you to promote global application of these criteria and procedures in all PSC regimes.

IACS also encourages the MOU Secretariats, and individual port States, to keep an open dialogue with all the interested parties, including individual classification societies, as soon as the reason for attributing a ship detention to class is identified and before this information is published on the PSC website or in an annual report.

Similarly, in order to obtain a complete picture, it is very desirable that the methods of statistical analysis and the reporting of PSC detention and deficiency information be harmonized globally in time. This, of course, requires relatively uniform training of PSC inspectors, as well as the development of uniform procedures and infrastructure, amongst the numerous regional PSC regimes.

Good dialogue between port States, MOU Secretariats, IACS and its individual members is essential to achieving a mutual understanding of the criteria followed by PSC Officers and Class Surveyors when carrying out their jobs. This dialogue is mutually beneficial and has, we believe, led to significant improvements in our common efforts to eliminate sub-standard shipping in recent years.

IACS Members strive to be assets for improvement of our own PSC performance, as well as that of owners and flag States.

With respect to our own performance, the most serious or frequent deficiencies, either class-related or not, become targeted items for internal and external quality system audits, including vertical contract audits carried out on board. The results of these audits are examined with a view to corrective actions, training or system improvements. And, as part of our periodic quality management reviews, we are striving to achieve targeted reductions of PSC statistics for selected deficiencies.

In the area of owners’ performance, IACS members are helping shipowners prepare for PSC inspections through planned ship maintenance programs, pre-survey checklists, as well as classification and statutory surveys and audits.

IACS members can also help flag States to undertake initiatives for improving the PSC performance of their fleet. IACS has reached out to flag States that have recently been on the Paris MOU Black and Gray Lists with a program of cooperation for improved statutory survey controls. The program addresses “change of flag” procedures as well as additional checks on IMO and ILO requirements at inspections and audits following detentions. A number of flag States have responded positively to this initiative and are implementing the IACS suggestions.

IACS may also be seen as a partner with your PSC regimes for further improvements in the areas of:

- access to ship survey information relevant to PSC inspections and targeting;
- harmonization of procedures and criteria amongst PSC regimes;
- assistance during PSC inspections for verifying the correction of deficiencies and carrying out extended surveys on board; and,
- seminars for PSC inspectors on class and statutory surveys carried out by classification societies.

In the six years since your First Joint Ministerial Conference, much has changed and, in our view, many improvements in the cooperation between IACS and your MOUs have been achieved. But many challenges remain and, considering the many IMO and ILO requirements on the way, many new ones are on the horizon. Our purpose is fully shared and our roles fully complementary. IACS is committed to furthering a positive and productive partnership with your MOUs in pursuit of our common objectives for safer ships and cleaner seas.

Thank you.

**Presentation by Mr. Chris Horrocks,
Secretary General of the International Chamber of Shipping**

Mr. Chairman, Ministers, Distinguished Delegates, Ladies and Gentlemen,

First, Mr. Chairman, my thanks to the Government of Canada not only for its hospitality to all of us here in Vancouver, but for the invitation to attend this Conference as an observer. It is appropriate that the international shipping industry should be allowed to offer a few remarks to the Conference since in one respect we are the “victims” of port State control, though also, of course, the beneficiaries in the very real sense that all responsible owners welcome constructive efforts to eliminate sub-standards.

While I am attending here as Secretary General of the International Chamber of Shipping, I should state at the outset that I am also speaking on behalf of my colleagues in the other organizations that make up the so called Round Table of International Shipping Associations - BIMCO, Intercargo and Intertanko. Together we represent the views of the vast majority of the world’s merchant shipping industry.

Let me state, in simple terms, the shipping industry’s broad approach to port State control:

- First, while we underline the primary responsibility of the flag State for overseeing the quality of the ships on its register, we regard port State control as a vital complement to the flag State in the enforcement of global rules.
- Secondly, we believe that effective port State control should prevent genuinely sub-standard ships from trading.

To that broad end, it is in our view essential that:

- the integrity of port State control is maintained;
- targeting is continuously improved; and
- standards are harmonized not just within but also between MOUs.

Are these objectives of integrity, targeting and harmonization being met as effectively as they should be? Perhaps still not, because despite the undoubted improvements in port State control, which we are pleased to acknowledge, sub-standard ships still contrive to slip through the net, and well-run ships still sometimes feel that they are unnecessarily subjected to port State control inspections.

Against that background, let me mention three developments that the shipping industry warmly welcomes:

- First, the decision in principle of the Paris MOU to move away from the 25 per cent national inspection target - an obligation which, however valid it may once have been, we feel has now become counter-productive to the objective it was meant to address and

which we have for some years been pressing to be reconsidered.

- By the same token, we very much applaud the growing efforts to target the high-risk ships and, in parallel, to reward well-run ships with a reduced inspection regime. The number of in-port inspections is the bane of many ships' masters today, and unnecessary inspections exacerbate a problem rather than contribute to enhanced safety.
- And thirdly, we welcome the recent decision in principle of the Tokyo MOU to introduce an independent appeals procedure, to deal with cases of disputed inspection. This is a long-sought and positive development.

Let me make two further requests on behalf of the industry. Please do not make targeting methods too complicated: they must be comprehensible to ship operators and not just those with doctorates in nuclear physics. And most important, please work conscientiously towards mutual recognition of inspections in different MOU regions. Shipping operates in an international environment and not in compartmentalized regions, a point made eloquently by several countries yesterday, including Croatia and Norway.

Chairman, distinguished delegates, with these few comments in mind, I am happy to say that ICS and the Round Table of International Shipping Associations support the text of the Ministerial Declaration adopted yesterday, and we welcome the central principle of strengthening the "Circle of Responsibility" that the Declaration embodies.

Thank you for your attention.

**Presentation by Mr. Nigel Carden,
on behalf of the International Group of P&I Clubs**

Mr. Chairman, Ministers, Delegates,

I am grateful for the opportunity to speak on behalf of the International group of P&I Clubs. We are insurers of shipowners' liabilities, whose place in the "circle of responsibility" has been referred to in a number of the presentations previously given.

The member organizations of the International Group consist of 13 mutual associations that provide liability insurance (known as Protection & Indemnity, or "P&I" insurance), to the operators of approximately 90 per cent of the world's ocean going tonnage.

These associations are non-profit-making: they pool their large claims, and collectively they are able to purchase high levels of reinsurance that could not be bought individually.

The Clubs provide insurance cover for third-party liabilities arising out of the use and operation of ships, for example, the shipowner's liability to pay compensation in respect death, injury or illness; oil pollution and other environmental damage; cargo damage; damage caused to other ships in collision; wreck removal; damage caused to docks, jetties, pipelines, cables and other kinds of property.

View on Sub-standard Shipping

P&I Clubs, as mutual insurers in which shipowners share claims, are very concerned with the issue of sub-standard shipping.

No responsible ship owning member of a Club wishes to be burdened by the financial consequence of allowing sub-standard ships to be entered in his Club or in any other Group Club whose pooled claims are shared.

The International Group therefore has a number of existing practices designed to avoid insuring sub-standard shipping, a number of which utilize port State control data. We are, however, engaged in a process of reviewing and seeking to strengthen these processes, partly in response to a recent OECD report on how to withdraw insurance from sub-standard ships. Time is limited and I will speak about just a few of these procedures and plans for improving them.

Existing Procedures and Plans for Improvement

First, upon application for entry of a ship, most Group Clubs require that the entry is subject to a satisfactory condition survey if the ship is of a certain age, typically 12 to 15 years, and all Clubs collect a great deal of underwriting information with which to assess the risk.

We hope this process can be improved by harmonizing survey procedures, agreeing on a common minimum scope of survey, and agreeing on minimum lists of the information that

underwriters take into account, including experience of the operator, flag, class, crew nationality, trading pattern, PSC record, age, ISM and ISPS status, etc.

A new factor would be to require all prospective members to declare if they have ever been refused insurance by another Club, and to agree that information collected about the condition of a ship may be released to another Club in the event that the entry is moved.

Second, most Clubs have some procedures for checking the quality of tonnage already entered with them by random, or targeted, inspections. We aim to improve the system by a harmonized list of agreed targeting factors, including port State control records. We are also studying how other sources of information might be utilized, including information collected in commercial vetting systems.

Third, we are studying whether it is legally possible within the constraints of competition law to provide some financial disincentive to a Club agreeing to insure a ship, where another Club has refused to insure it on grounds that it has been found to be sub-standard.

Fourth, we are discussing new ways of sharing survey information between the Clubs and how to deal with existing legal restrictions on such sharing.

Fifth, all Group Clubs use common rules to make it a condition of cover that members keep their ships in class, and that members do observe the statutory requirements of the flag State. No Group Club will knowingly pay a claim that it believes was caused by a member's failure to observe classification requirements, or by his failure to observe statutory requirements of the flag Administration.

Sixth, the Clubs in the Group have from the outset been supporters of EQUASIS, providing data to it and participating at the editorial board level.

However, while the Group Clubs will take what measures they can to avoid giving support to sub-standard ships, and while we will look for improvements in this process, as is stated in the OECD Report, insurers cannot themselves be the 'policemen' of the international maritime community.

The International Group welcomes and supports:

- PSC as a vital link in ensuring that ships and ship managers operate to internationally accepted standards;
- the concept of the "circle of responsibility"; and
- the Joint Ministerial Declaration as a basis for cooperative action to strengthen the Circle.

Finally we wish to add our voice to many others in thanking Canada for their hospitality and the excellent arrangements that have made for such a smooth running conference.

**Presentation by Mr. John Bainbridge,
on behalf of the International Transport Workers' Federation**

Clearly the development of the role of port State control is due to the failure of many flag States to address their responsibilities to comply with international conventions, and the main problem facing the maritime industry is one of implementation and enforcement rather than new regulations. We recognize that port State control is now on the frontline against sub-standard ships and much has been accomplished, but there is no room for complacency as there remain a number of challenges, such as a new ballast water convention and emission legislation soon to be adopted.

The International Transport Workers' Federation and seafarers in vessels today hold the Paris and Tokyo MOUs on Port State Control in high regard, although this may not always be evident when PSC Officers board their ships. This is usually due to a lack of adequate resources, not a lack of respect. We recognized the difficulty that many basically technically qualified PSC Officers may have in dealing with more subjective social issues in an equitable, consistent manner and welcomed the opportunity to contribute to training in this area. This may be assisted by the new ILO consolidated convention that should be well ratified and easier to understand, enabling port State Control to be more effective in ensuring the rights of seafarers to decent work and living conditions.

The Declaration is a very comprehensive and constructive document; however, one area of concern to industry that is not addressed, but is relevant to the role of port State control, should be brought to ministers' attention. The new roles of port State control, such as maritime security, may encroach on the seafarer's rights if handled without care, and it is incumbent on them to ensure this does not happen. It should be noted that, even though most IMO conventions identify the master and crew as having a prime responsibility, they are not included in your "circle of responsibility". These responsibilities, attributed to the master, have been called by some a "legal fiction". At the same time, coastal States and even regional organizations' first line of attack in the event of environmental damage is the seafarer. Too often seafarers are prosecuted under a foreign legal system without receiving any of the basic protection that should be provided by the flag State.

The ITF Flag of Convenience campaign has been called irrelevant to today's globalized industry, but many of these flags still feature regularly in the Paris MOU Black List. Other more technically competent Flags of Convenience are unable or unwilling to offer legal processes or protection for the crew and, in the case of crew detention without trial, were not prepared to take this to the International Tribunal of the Law of the Sea. This absence of protection has allowed the seafarer to become criminalized in an increasing number of situations.

When requested to be the front line against terrorism to protect ports and populations, seafarers participated actively but before the ISPS Code was implemented, seafarers were being denied their right to shore leave and, in some cases, denied employment on the basis that they are potential terrorists. Despite every effort to comply with all the requirements

identified and the fast tracking of ILO 185 Seafarers' Identification Documents, the U.S. has been unable to recognize their application for early next year. The identifying of seafarers as potential criminals continues with the review of the IMO Suppression of Unlawful Acts Against Ships, which turns a convention designed to protect ships and seafarers into one that enables prosecution of seafarers. On the other hand, a review of the minimum safe manning resolution to take into consideration security has been ignored by all the flag States and the seafarer is expected to absorb one more extensive duty.

With respect to accidents causing environmental damage, detention without trial appears to be the fate of many seafarers and a recent EU directive, in response to public opinion, even where an accident is totally out of the control of the master and crew will incur large fines and long detentions for the crew. Is it any wonder that the profession no longer attracts suitably educated young people? A position as an officer can guarantee excessive unsocial hours of work, an increasing workload with regular fatigue, long periods at sea with no chance to get ashore, plus the opportunity to go to jail even if you are rescued from a sinking vessel.

Unfortunately, port State control may be directly involved in these issues and should be aware of the need to respect seafarers' rights and may be the only protection the seafarer has. In the long term, we must work to change the public attitude on seafarers and the shipping industry and port State control could lead the way in the introduction of positive initiatives to change the image of the profession. Meanwhile, those in a position of influence should advocate the fair treatment and internationally acceptable legal processes for seafarers involved in incidents that may be considered criminal by particular States.

Thank you.

**Presentation by the Democratic People's Republic of Korea
(Unable to attend)**

Mr. Chairman, Your Excellencies, Distinguished Delegates,

On behalf of the Maritime Administration Bureau of the Democratic People's Republic of Korea (DPR Korea), I would like, first of all, to extend my heart-felt thanks to your Excellency the Honourable Minister of Transport for Canada for inviting my delegation to this very important Ministerial Conference.

I also wish to express my appreciation for the efforts devoted by the Secretariat to the successful opening of this Conference.

As is generally recognized, the port State control regime is one of the effective measures to ensure the safety of life at sea and prevention of marine pollution from ships and to eliminate sub-standard shipping.

Since its inception, the regime has played an important role in discouraging the operation of sub-standard ships and in furthering the safety of life at sea and protection of marine environment. However, a number of marine accidents and incidents that occurred in recent years highlight the necessity of taking further action to promote maritime safety and prevention of marine pollution, including the intensification of port State control.

In this regard, the present Conference is a very significant and timely get-together that will enable the port State control regime to be further strengthened through the joint efforts and cooperation in the Asia Pacific and European regions.

Mr. Chairman, this delegation would like to make a brief introduction of the activities carried out in DPR Korea for improving and strengthening the port State control regime.

Keeping abreast with the growing intensification of PSC inspections in various regions of the world, the Government of our Republic has set up a nation-wide organizational structure specialized in port State control activities to exercise port State control over the foreign merchant ships calling at our ports strictly in accordance with the port State control procedures stipulated by the International Maritime Organization.

Pursuant to the instructions of the Cabinet, the Maritime Administration Bureau of DPR Korea has established within its head office Maritime Safety Division responsible for the implementation of the International Safety Management (ISM) Code and the activities of port State control throughout the country with a view to further strengthening port State control over the foreign merchant ships calling at our ports.

Under the control of the Maritime Safety Division, there are nine local offices in the areas where ports open to foreign trade are located. These local offices are respectively carrying out port State control inspections in the port under their jurisdiction.

Until the end of October this year, they have carried out port State control inspections on over the 36 foreign ships, the results of which has been submitted to the Tokyo MOU Secretariat.

In recognition of the necessity of regional cooperation in PSC activities, we have acceded to the Tokyo MOU as an observer and are now preparing to become a member authority of this organization.

Mr. Chairman, the Maritime Administration Bureau of DPR Korea, being fully aware of the importance of the role played by flag State administrations in eliminating sub-standard shipping, is paying due attention to properly discharging its responsibilities as a flag State.

In connection with the relatively high detention rate of our flagged vessels in recent years, a "prior-to-sailing inspection system" has been newly introduced, in addition to the regular class and statutory surveys of ships. The purpose of this system is to finally check and confirm the preparedness of ships and crew for their impending international voyages.

In addition, we have taken a number of measures to reduce the rate of detention of our ships at foreign ports by making them properly comply with the requirements of the relevant IMO Conventions and Codes.

As a result, the detention rate of our ships is decreasing step by step and the technical conditions of ships and the qualifications of seafarers gradually improving.

However, Mr. Chairman, in our activities to reduce and ultimately eliminate sub-standard shipping there are some challenges including temporary economic difficulties caused by the unilateral and unjustified economic sanctions certain countries are taking against our country for the purpose of realizing their ulterior political aims and by natural calamities continued in our country for several consecutive years.

We are determined to overcome all these challenges under the Songun leadership of the Great Leader General Kim Jong Il and continue to improve national maritime activities including port state control in line with the requirements of the new century and thus gradually eliminate sub-standard ships in our country.

This delegation maintains that, in some cases, port state control has been misused for pursuing foul political intentions against particular countries and for seeking commercial advantages, deviating from its genuine mission and therefore considers it necessary for all maritime administrations to pay due attention to this issue.

Mr. Chairman, the Maritime Administration Bureau of DPR Korea, as in the past, will in the future contribute to the international and regional efforts for ensuring maritime safety

and prevention of marine pollution, through close cooperation with the member authorities of the Tokyo MOU under the ideal of our Government's foreign policy of independence, peace and friendship.

Thank you.