

Shipping Consultative Committee

Minutes of the 30th Meeting held at 2:30 p.m. on 9 May 2007 in the Marine Department Conference Room A

Present: Mr. P.F. Chun Marine Department (Chairman)
Mr. K.L. Lee Marine Department
Mr. Arthur Bowring Hong Kong Shipowners Association
Capt. Zhou Wei OOCL Ltd.
Capt. Ning Pao Kun COSCO (H.K.) Shipping Co. Ltd.
Mr. Nishant Gulati Fleet Management Ltd.
Capt. Jay K. Pillai Pacific Basin Shipping (HK) Ltd.
Mr. Samson Lok SINOTRANS Shipping Ltd.
Capt. Firoze Mirza Eurasia Group of Companies
Mr. R. Varghese UNIVAN Ship Management Ltd.
Mr. Bill Amos Johnson Stokes & Master
Capt. Y.C. Yu The Merchant Navy Officers' Guild – Hong Kong
Mr. W.F. Leung Marine Department (Secretary)

In attendance: Mr. H.K. Leung Marine Department
Mr. H.M. Tung Marine Department
Mr. K.F. Chick Marine Department
Mr. W.H. Leung Marine Department
Mr. Y.M. Cheng Marine Department

Absent with apology : Mr. Jim Nelson
Capt. L.C. Chan
Mr. TIAN Zhongshan
Capt. C.A.J. Vanderperre
Capt. Pradeep Chawla
Mr. Rajaish Bajpae
Mr. K.S. Rajvanshy
Mr. C. Kocherla
Mr. Anil Arora
Mr. Raymond Chan
Capt. Francis Li
Capt. C.M. Yu
Mr. K.Y. Ting

1. The Chairman welcomed all present for the meeting. He then requested the Secretary to introduce those participants who stood in for the SCC members: Mr. R. Varghese (for Capt. C.A.J. Vanderperre), Capt. Firoze Mirza (for Mr. Rajaish Bajpae), Mr. Nishant Gulati (for Mr. K.S. Rajvanshy), Capt. Jay K. Pillai (for Mr. C. Kocherla), Mr. Samson Lok (for Mr. TIAN Zhongshan), Capt. Zhou Wei (for Capt. L.C. Chan) and Capt. Y.C. Yu (for Capt. C.M. Yu).

Agenda Item 1 – Declaration of Interest

2. The Chairman reminded members that they were required to draw the attention of the Committee if their personal interest might substantially affect their views in the course of discussion of any topics at this meeting.

Agenda Item 2 – Confirmation of the Minutes of the 29th Meeting held at 2:30 p.m. on 13 November 2006

3. The minutes of the 29th meeting held on 13 November 2006 were confirmed with no amendment.

Agenda Item 3 – Maritime Security – Long Range Identification and Tracking Systems (LRIT)

4. Mr. H.K. Leung mentioned that as the LRIT requirements would come into operation in December 2008, IMO had adopted Resolution MSC 211(81) urging the Contracting Governments on the timely establishment of the LRIT system. However, it appeared that the establishment of LRIT system was behind schedule due to lack of proposals from the Contracting Governments on all issues that needed to be addressed. Up to now only Marshall Islands had established their own national data centre while Argentina, Brazil, Chile and China had informed IMO that they would also establish their national data centres. He continued that the ad hoc Working Group on engineering aspects of LRIT formed by IMO had developed 6 sets of draft technical specifications and guidelines for the LRIT system for adoption by MSC 83 in October 2007. The ad hoc Working Group had also developed a draft costing and billing standard for the LRIT system. The draft standard, which was preliminary at this stage, closely linked the costing and billing of LRIT to the volume of data usage i.e. the number of individual communications that the system had to handle. This information, which was difficult to estimate, was unknown at the moment. The draft standard would be further discussed at

MSC 83. He continued that in view of the unresolved issues, doubts were raised at COMSAR 11 as to the scheduled implementation of LRIT in 2008 and there were proposals to postpone the requirements of LRIT for one year. MD would closely monitor the situation.

5. Mr. H.K. Leung mentioned that China would establish their own national data centre. MD had contacted MSA Beijing to indicate Hong Kong's intention to join their centre and already provided them with the necessary information to allow the relevant feasibility study to be carried out. Meanwhile, MD was also looking at the possibility of having its own data centre. A feasibility study on whether HKSAR Government data centre located in EMSD could be used as a LRIT data centre to implement the LRIT requirements was being explored. If EMSD's data centre could be used as a LRIT data centre, MD would in due course decide what should be the best option for HKSAR to implement the LRIT requirements.

6. The Chairman supplemented that the costing and billing arrangements for the LRIT system was a complicated issue as it involved different types of data centres, namely, international, regional or national. Nobody at the moment knew exactly how much use of LRIT information would be made by Contracting Governments as flag State, coastal State or port State. Although MD would not see the need to use the LRIT to monitor the position of Hong Kong registered ships, other Contracting Governments might use it to track their vessels for security or some other reasons. At the moment it was difficult to determine the extent of use of LRIT data for different purposes and hence the cost of using the information.

7. Mr. Arthur Bowring mentioned that a major concern for the ship owners was to ensure that the required equipment onboard was ready for transmitting LRIT data by the implementation date as many of the equipment would need to be upgraded or even replaced for the purpose. The Chairman responded that SOLAS required ships to be fitted with the necessary LRIT equipment from 1 January 2008. As the upgrade of equipment would depend on its type and make, some of them might therefore require extensive modifications while others might only need minor changes. Ship owners were given about a year to comply with the requirements. Capt. Zhou Wei enquired whether the existing equipment needed to be upgraded if a ship was fitted with Inmarsat C. The Chairman reckoned that it all would depend on the model of the equipment. Mr. Arthur Bowring suggested that the manufacturer should be contacted for advice.

Agenda Item 4 – New SOLAS Amendments

8. Mr. W.H. Leung mentioned that the Maritime Safety Committee of IMO adopted resolution MSC.216(82) in December 2006 to amend SOLAS requirements. Referring to the document SCC/30/2007/BRIEF 1 tabled at the meeting, he gave an outline of the amendments. He highlighted that in the amendment relating to new coating standard, coating was required to be applied in a controlled environment. There would be control on the dust quantity as well as the limit of water soluble salt (below 50 mg/m²). He understood that some shipyards might have difficulties in complying with the requirements. He also highlighted that this amendment was the first time SOLAS regulations had contained an overriding provision to apply the requirements according to the delivery date regardless of the contract signing date or the keel laid date.

9. Mr. Arthur Bowring mentioned that the new coating standard had already been included in common structural rules (CSR) of IACS. Shipyards had started learning the technology as well as building more painting sheds to comply with the new standard. Class was working with the shipyards to introduce systems to prove compliance of the standard. He expected that by the time when the requirements came into force on 1 July 2008, systems would be in place in most shipyards to comply with the standard. The Chairman mentioned that some shipyards previously had indicated that they might have difficulties to comply with the new standard. It appeared that these shipyards should find ways to meet the requirements as the new coating standard could be enforced as originally planned.

10. Referring to the amendment relating to additional measures to prevent lifeboat drill accidents, the Chairman urged ship owners to implement the requirements as early as possible before the actual entry into force date in order to avoid accidents in lifeboat drills.

Agenda Item 5 - Implementation of revised MARPOL Annex I (Regulations for the prevention of pollution by oil) and revised MARPOL Annex II (Regulations for the control of pollution by noxious liquid substances in bulk)

11. Mr. Y.M. Cheng mentioned that as reported in the last meeting, the Draft Drafting Instructions (DDI) using direct reference approach for the Merchant Shipping (Prevention of Oil Pollution) (Amendment) Regulation, Chapter 413A, to give effect to the revised Annex I to MARPOL was submitted to the policy bureau EDLB and copied to Department of Justice in May 2006. In February 2007, the International Law Division

of DoJ endorsed the DDI subject to the outcome of the discussions on the extent of direct reference approach to be used. The clearance from Civil Division of DoJ had yet to be obtained. Meanwhile EDLB indicated that the drafting of the amendment regulation would soon be commenced. He continued that as the amendments also affected the format of the oil record book for cargo ships and oil tankers as from 1.1.2007. The amended version prepared by MD had been sent to shipping companies in about mid December 2006 for their dispatch to ships to facilitate compliance with the new requirement. The new version of the oil record books published by the Government Printer had also been ready since early 2007.

12. Regarding the revised MARPOL Annex II, Mr. Y.M. Cheng mentioned that there had been no progress on the clearance of the drafting of the amendment to the Merchant Shipping (Control of Pollution by Noxious Liquid Substance in Bulk) Regulation, Cap. 413B.

13. The Chairman supplemented that there was not much progress on the proposed legislation for Annex I and Annex II amendments apparently because most resources, in particular those of DoJ, were presently occupied by the proposed legislation giving effect to Annex VI of MARPOL.

14. Regarding the collection of waste of Class 1, Category 5, with flash point below 23 degree C, Mr. Y.M. Cheng mentioned that as informed by the Environmental Protection Department (EPD), the barge that would be converted to collect such waste could not commence the conversion work due to the demand of the disposal services in the past few months. EPD proposed to delay the conversion work until the end of 2007. He continued that Exxon Mobile which was currently the only company that demanded the disposal services for such waste had built their own land based waste collection system at their berth since early 2007. The system involved a container which was certified by EPD for safe carriage of the waste. In the process, MD had rendered assistance to Exxon Mobile to expedite the approval by EPD.

15. In reply to an enquiry from Mr. Bill Amos on whether Exxon Mobile offered their shore reception services to other ships, Mr. Y.M Cheng said Exxon Mobile only provided the services to their own ships or their own cargoes as the reception facility was located at their own berth.

16. Mr. Arthur Bowring enquired whether Hong Kong had the obligation to provide the waste reception services. Mr. Y.M. Cheng said that as a party to the Convention,

Hong Kong had such an obligation. Mr. Arthur Bowring further commented that without the waste reception facility, whether it would be a breach of the Convention. The Chairman responded that as the oil company that needed the disposal services had their own reception arrangement, Hong Kong had met its obligation. Mr. K.L. Lee opined that Hong Kong possessed the reception facility for MARPOL Annex II substances and was only lacking the means to transfer residue of Class 1 Cat. 5 substances to shore for proper disposal. The provision of the shore based reception facility by Exxon Mobile had eased a little pressure off Hong Kong in the present situation.

17. Mr. Arthur Bowring commented that it was important that Contracting Governments agreeing any Convention, while imposing the relevant requirements to ship owners, should also realize their obligations to implement the Convention. The Chairman mentioned that as an Administration, Hong Kong always did its best to meet all the international requirements.

18. The Chairman supplemented that MD had been liasing with EPD since early 2006 but the reason given to delay the conversion of the barge to provide the required collection services was a little far-fetching. MD would continue to liase with EPD to put more pressure on the barge contractor to complete the conversion work as soon as possible.

19. The Chairman mentioned that if a ship came to a port and encountered difficulty because of lack of reception facilities under any IMO Conventions, ship owners should report to the port State as well as the flag State for transmission to IMO. Mr. Arthur Bowring said that ship owners were worried about such reporting might lead to undue delay of their ships. The Chairman responded that if deficiencies in reception facilities were not reported, no improvement would be made. He reminded that the report should be made in the standard IMO format.

Agenda Item 6 - Implementation of MARPOL Annex IV (Regulations for the prevention of pollution by sewage from ships) and MARPOL Annex VI (Regulations for the prevention of air pollution from ships)

20. Mr. Y.M. Cheng mentioned that with the ratification of MARPOL Annex IV by China in November 2006, the Merchant Shipping (Prevention of Pollution by Sewage) Regulation had come into force since 2 February 2007 in HKSAR. MD had issued Merchant Shipping Information Notes No. 73/2006 in December 2006 and No. 4/ 2007 in January 2007 informing the industry of the entry-into-force of the sewage regulation.

Ship owners should approach ROs for the survey work and issue of the International Sewage Pollution Prevention (ISPP) Certificate for the Hong Kong registered ships.

21. Regarding MARPOL Annex VI, Mr. Y.M. Cheng mentioned that the drafting of the Merchant Shipping (Prevention of Air Pollution) Regulation was in progress and it was aimed at having the Regulation implemented by the end of 2007 or early 2008. Regarding the implementation of local requirements for prevention of air pollution that might affect the Mainland vessels in the waters of Hong Kong, a meeting was held with Guangdong (GD) MSA and Shenzhen (SZ) MSA in February 2007. GD MSA had set up a working group to study the impact of the issue. MD would soon have another meeting with both MSAs to discuss ways to meet the local requirements of Hong Kong.

22. The Chairman supplemented that MARPOL Annex VI came into force internationally on 19 May 2005. Although the legislation to give effect to Annex VI had not been ready, ship owners had been advised to comply with the requirements to avoid problems when their ships calling to countries which had already accepted Annex VI. Regarding local vessels, Hong Kong as an Administration had the discretion as to how the requirements of Annex VI would be imposed taking into account the peculiar local situation. For example the requirement that engines installed after the January 2000 should meet the NO_x emission standards might not be enforced retrospectively in Hong Kong.

23. In reply to an enquiry from Mr. Arthur Bowring on how many engines on local vessels would need to be replaced to cope with the new requirements of Annex VI, Mr. Y.M Cheng said that there were 161 vessels built between 19 May 2005 up to January 2007 and the total numbers of diesel engines installed onboard these vessels were 324 during that period. It was estimated that 100 out of the 324 sets of diesel engines could not meet the NO_x emission standard of MARPOL Annex VI. The Chairman mentioned that such replacement would not have significant effect on the issue of air pollution in Hong Kong. He continued that IMO was now looking at whether retrofitting measures should be applied on engines fitted before 2000. MD would monitor the issue so as to consider whether such requirements should be imposed on old engines on local vessels.

24. Mr. Arthur Bowring mentioned that Civic Exchange had recently produced a report showing marine air pollution together with local vehicle pollution were the two major contributors to the air pollution in Hong Kong. Mr. K.L. Lee commented that the report might be misleading as the time based method used in the survey simply measured the respective number of days in a year in which the pollution in Hong Kong was caused

by locally generated sources or regional sources without giving the actual level of pollution.

25. Capt. Firoze Mirza enquired whether there was an estimate regarding the contributing amount of marine air pollution between ocean going vessels and local vessels. The Chairman replied that MD might only have the statistical information showing the pollution generated from marine transport in the port. He opined that ships were not the major contributor for air pollution. However, the trend was increasing probably attributing to the fact that most marine engines were of high power and heavy duty, producing disproportionate amount of emission of NO_x.

26. In relation to the proposed legislation for MARPOL Annex VI, the Chairman mentioned that the current usual practice was to impose a penalty for contravention of requirements on the masters or the owners of the vessels. However, a new provision to impose penalty on any person who had deliberately caused the pollution was being considered. Capt. Zhou Wei enquired whether the additional provision would apply to wrongful shipboard operation. The Chairman replied that such an act should be regarded as negligence in discharge of duties and subject to penalty not criminal prosecution. Under the circumstances sanctions would usually be imposed on the master or the owner of the ship.

27. Mr. Arthur Bowring raised the issue being discussed at BLG and MEPC on the proposed 1% global sulphur cap for fuel oil. HKSOA took a strong position for the proposal but he wondered why MD could not support their position. He continued that their position was developed after long and arduous discussion with the main engine manufacturers, refiners, bunker suppliers and ship owner representatives and was considered a viable solution to reduce SO_x emission. The Chairman responded that MD had studied the issue very carefully but had not been convinced that imposing an arbitrary sulphur limit on fuel to avoid excessive SO_x emission was a proper way to minimize air pollution. The more reasonable approach would be to adopt a certain SO_x emission standard and let the ship owners to decide the best way to comply with the standard. Mr. Arthur Bowring commented that letting the ship owners decide how to comply with the requirements might not be viable. By doing so, what might happen would be that the time charterers would continue to buy cheap fuel and then ask ship owners to install the necessary equipment to control the emission. Ultimately, it was the time charterers but not the ship owners to make the choice.

28. Mr. Arthur Bowring mentioned that the 1% global sulphur cap for fuel oil was proposed as option C1 in the BLG intersessional meeting held in Norway last November. Option C2 that allowed emission limits proposed under C1 to be achieved by alternative means, such as exhaust gas scrubbing, would obviously not be in line with the position of HKSOA. Mr. Y.M. Cheng mentioned that BLG had come up with 3 main options for further discussion by MEPC 56 in July. Furthermore, the Secretary-General of IMO mentioned that a 'CROSS-government industry-scientific group' would be formed in MEPC 56 in July 2007 to take the views from all stakeholders with a view to finding a practical solution to reduce emission of SO_x as well as NO_x and PM. There would therefore be further consultation on the issues.

29. The Chairman mentioned that MD could not agree at this stage why a certain cap should be imposed on the sulphur content of fuel, given that there was alternative means to achieve emission control such as using the exhaust gas scrubbing. However MD so far had not openly stated its views opposing the position of HKSOA on this issue. He added that it was the first time that HKSOA tabled this issue for discussion at the meeting. Mr. Arthur Bowring mentioned that the issue had been discussed at the meeting of the Technical Sub-Committee of the HKSOA to which members of MD had been invited to attend. MD had been involved in the decision making process. He was now surprised that MD had come up with a decision which was contrary to HKSOA's position without prior consultation with the HKSOA. He hoped that before making decision on this particular issue, MD should have consulted the shipping industry to seek their views.

30. The Chairman said that MD always tried its best to seek the views of the shipping industry before making decision on any matters which the industry had an interest. In fact, the main purpose of this Shipping Consultative Committee (SCC) was to seek views from the industry. On this particular issue, MD had not finalized the decision yet and would further discuss with HKSOA regarding the arguments for their position.

31. Mr. H.M. Tung suggested that when members of the MD were invited to attend the HKSOA meetings, it might be helpful if HKSOA could have a discussion paper prepared on any critical issue before the meetings. This would facilitate MD to know the views of the industry and make decision for the best solution.

32. Mr. K.L. Lee commented over the years, before attending the IMO meetings, MD would identify the critical issues that might affect the industry. Although the SCC meeting was for consultation, the problem was that it might not be held in time with the IMO meetings, making it difficult to timely address the concerned issues before

discussion by IMO. Regarding the Technical Sub-Committee of HKSOA, although members of MD were invited to attend the meetings as observers and participated in discussion, SCC should be the principal forum for discussion. He suggested that if there were any critical issues needed to be timely addressed, either MD or HKSOA could call for an ad hoc meeting. He opined however that, although there was consultation, the views or positions between the industry and the Administration might not align.

33. The Chairman stressed that MD was obliged to consult and seek the views of the shipping industry on issues that affected their interest. Besides the SCC or the HKSOA meetings, HKSOA could approach MD any time to discuss any issues. Mr. Arthur Bowring mentioned that he would provide more information on the basis of HKSOA's position on sulphur cap for fuel and would keep in touch with MD trying to study the issue from different perspectives.

Agenda item 7 – Maritime Labour Convention 2006

34. Mr. Y.M. Cheng mentioned that the Tripartite Working Group (TWG) was formed in January 2007. It was a forum in which representatives of employers and seafarers of Hong Kong registered vessels participated and provided advice as to how best the requirements of the Maritime Labour Convention (MLC) 2006 could be implemented in HKSAR. It was composed of, together with the representatives from the Government, four members representing seafarers and four members representing the ship owners. The first meeting was held on 23 February 2007 to discuss the Terms of Reference of the TWG, the need for implementing the MLC 2006 in HKSAR and the way to accomplish the work effectively. Both seafarers and ship owners representatives agreed to implement the MLC 2006 in HKSAR. While it was planned to have the new legislation ready by 2009, Hong Kong would endeavour to have the legislative progress to keep in line with that of the Mainland. The second meeting of the TWG was held on 4 May 2007 to discuss 'Articles and Title 1 – Minimum requirements for seafarers to work on a ship' and 'Title 3 – Accommodation, recreational facilities, food and catering' of the MLC 2006. The next meeting would be held in early July 2007 to discuss the Title 2 – "Conditions of Employment".

35. The Chairman supplemented that the progress of the TWG work so far was fine. However, the "conditions of employment" would be a controversial issue to be dealt with by the TWG.

Agenda item 8 – Voluntary IMO Member State Audit Scheme

36. Mr. W.F. Leung mentioned that since the inception of the Audit Scheme in 2005, 29 Member States had volunteered for audit. So far 10 audits had been conducted. The Mainland indicated that China would like to join the audit together with the Hong Kong SAR and Macau SAR and would submit the application to IMO in 2007. As regards the nomination of auditors, Hong Kong had nominated to IMO an officer as an auditor for the Audit Scheme. The nomination had been accepted by IMO. So far, IMO had a pool of 87 auditors for conducting the audits.

37. The Chairman supplemented that it remained unknown when exactly China would inform IMO about joining the Audit Scheme. Hopefully, they would notify IMO by the end of 2007.

Agenda Item 9 – Matters relating to the Hong Kong Shipping Register (HKSR)

Agenda Item 9(a) – Hong Kong Shipping Register (HKSR) statistics

38. Mr. K.F. Chick mentioned that at present, the gross tonnage of Hong Kong registered ships was 34 millions. The composition of the HKSR was bulk carriers (54%), tankers (22%), containers (16%), general cargo (5%) and others (3%). He highlighted that there had been a slight change in the percentage of bulk carriers due to more tankers and containers joining the HKSR. Regarding seafarers, 62% of the crew employed under HKSR was from PRC and the total no. of seafarers working on Hong Kong registered ships was 20343.

Agenda Item 9(b) – Flag State Quality Control (FSQC) and Pre-Registry Quality Control (PRQC) Statistics

39. Referring to Annex I of the statistics tabled at the meeting, Mr. H.M. Tung said that in the first 4 months of this year, there were a total of 11 FSQC inspections of ships with 8 of which being carried out after the ships were detained by PSC. For these FSQC inspections, about 64% of the ships were graded satisfactory. As regards PRQC, 5 inspections were carried out and all these inspections were graded satisfactory. One company visit was conducted in April 2007. This company visit was carried out as a measure to enhance the quality of Hong Kong registered ships, under which MD would visit a company at its cost if any of its ships was detained twice within 12 months and the next annual DOC audit for the company in question would not be due shortly. Similar to

the DOC audit, such company visit would verify whether the company could effectively implement its safety management system. Regarding the CAS, one tanker was inspected in April 2007.

Agenda Item 9(c) – Detention of HK Ships and Related Statistics

40. Referring to Annex 2 of the statistics, Mr. H.M. Tung mentioned that in 2006, there were a total of 33 ship detentions under various MOUs. These detentions were 12 under the Tokyo MOU, 6 under the Paris MOU, 10 under the other MOUs and 5 by the USCG. The deficiencies detected under these PSC inspections were shown in the comparison table at Annex 3 (i) and (ii). Such deficiencies were categorized into detainable deficiencies and total deficiencies which meant detainable deficiencies plus non-detainable deficiencies. The number of deficiencies in 2006 was less than that of 2005. Defects relating to pollution, general safety, load lines and fire safety were among the major factors for the detentions.

41. The Chairman mentioned that in view of the particular concern for environmental protection, any deficiencies relating to pollution would be susceptible to detention of ships by PSC. He urged ship owners to take all necessary measures to avoid infringement of MARPOL provisions. Mr. K.L. Lee mentioned that the Tokyo and Paris MOUs had carried out the Concentrated Inspection Campaign (CIC) on MARPOL Annex I in 2006. The more inspections arising from the CIC had probably led to the increase in number of deficiencies found on oil pollution. He added that prior to the CIC, MD had advised ship owners to take special attention for the PSC inspection.

42. Referring to Annex 4 of the statistics, Mr. H.M. Tung mentioned that during the period from 1 January to 30 April 2007, a total of 20 ships were detained under PSC. Of these, 7 ships were detained by Australia under the Tokyo MOU as compared with 1 in the same period last year. Similarly, 3 ships were detained under the Paris MOU as compared to 4, 8 ships were detained by other MOUs as compared to 1, and 4 ships were detained (one of these four was detained purely on security grounds) by USCG as compared to 2 during the same period last year.

43. Mr. H.M. Tung mentioned that from the statistics it appeared that Australia was targeting Hong Kong registered ships as all the ships detained under the Tokyo MOU were detained by Australia and in these detentions, 4 ships were detained just for one detainable deficiency. Mr. K.L. Lee supplemented that the PSC inspections in Australia were very strict for the Hong Kong registered ships and the detentions took place in

various ports in Australia. To deal with the situation, MD was examining the Tokyo MOU statistics trying to find out information, such as the types of ships detained most, to help analyse the PSC in Australia. Mr. H.M. Tung also mentioned that the statistical table also showed that besides Tokyo MOU and Paris MOU, other smaller MOUs were becoming more active in PSC resulting in more ships being detained. MD would issue a circular letter to remind ship owners on action that should be taken when their ships were trading in the high detention risk areas particularly Australia and the US.

44. Mr. Arthur Bowring expressed concern on the ship detentions by USCG. Mr. H.M. Tung mentioned that if there were 8 ships detained by USCG this year, the detention rate would approach to the limit of 1 %. Given that 3 ships had already been detained by USCG so far this year, if more ships were detained, Hong Kong was bound to lose the status as US Qualship 21. He suggested ship owners to pay very special attention when their ships were trading in the US.

45. Capt. Jay K. Pillai mentioned that whenever their ships went to Australia or US, ship masters would be provided with the lists of deficiencies detected during the previous PSC in these countries to take the necessary precautions. He therefore suggested MD would provide the ship owners with a similar list of deficiencies on Hong Kong registered ships. The Chairman welcomed the suggestion and believed it would work to improve the situation.

[Post-meeting note: The circular letter as mentioned in paragraph 43 together with the list of serious deficiencies of HK ships detected under PSC inspections from January to April 2007 was forwarded to the ship owners/operators on 30 May 2007. MD appreciated Capt. Jay K. Pillai's valuable advice on compiling the deficiencies list.]

Agenda Item 9(d) – Detention of HK Ships on Security Ground

46. Mr. H.M. Tung mentioned that during the period from 1 January to 30 April 2007, there was only one ship detained on security grounds. The case took place in the US. Mr. K.L. Lee supplemented that the deficiency was raised after the crew allowed the PSC officers from USCG who carried no photos on their identification cards to come on board to carry out the inspection.

47. Mr. Arthur Bowring raised the point concerning inspection of accommodation doors under the ISPS Code by the US. USCG considered that locking the accommodation doors for security reasons was unacceptable as it would violate the safety requirements.

To tackle the problems, there was suggestion that without locking the accommodation doors, security could be achieved by putting numbered tags on the doors. By such means, if there were unauthorized entry into the accommodation, the tags on the doors would be broken meaning the security had been breached. Capt. Jay K. Pillai raised a case in that a permanent bolting arrangement used to lock the accommodation from inside had to be removed even though the arrangement could open the doors from inside by undoing the wing nuts. Such arrangement was rejected by the PSC for violation of safety and structural requirements. The Chairman wondered what was the rationale for not allowing the accommodation doors to be locked if the arrangement would permit them to be opened easily from inside. He suggested that the industry might provide more information for MD to study the issues.

48. Capt. Jay K. Pillai also raised a number of cases concerning PSC inspections. One case happened in Singapore when the SOPEP which had been approved by the Class but without the stamp mark of the class was rejected even though the ship possessed an IOPP Certificate. Another case was that using a separate plate to carry the IMO number in engine room for smaller ships was raised as a deficiency by PSC. The final case, also happened in Singapore, related to a deficiency being raised on locking of entrance doors in lifeboats. The Chairman commented that for the first case, there might be grounds for the concerned ship owner to lodge complaints to the relevant authority. As for the second case, he would draw the attention of the ship owners that IMO number should be engraved on the main structure of the ships as required. Regarding the last case, he suggested that if the lifeboat was locked in port, a placard should be displayed for attention. As Hong Kong would host the Asia-Pacific Port State Control Committee Meeting in August 2007, opportunity might be taken to reflect all these cases to the concerned PSC authorities.

Agenda Item 9(e) – HK Ship Accidents and Casualty Statistics

49. Mr. H.K. Leung said that casualty statistics for Hong Kong registered ships from October 2006 to March 2007 were presented in Table 7 of List A of Statistics for Hong Kong Shipping Register. Table 7A concerned two serious accidents. One involved a fire occurred on board “Maritime Alliance” when the ship was in a shipyard in Shanghai killing one shore-based service engineer and injuring one crewmember. The other related to the collision of “Hui Rong” with a PRC cargo ship in the waters off China resulting in the loss of 9 crew and missing of 8 others. These two cases were under investigation. He drew members’ attention on Table 7C relating to the annual comparison of accidents by nature. As shown in the table, the nos. of collision and grounding in 2005 were 9 and 7 as

compared to 16 and 15 respectively in 2006, showing an increase of these two types of accidents. Some of these accidents happened when the ships were in port and with the pilot on board while some occurred shortly after the ships left the port with the pilot disembarked. Investigations revealed that most of these accidents were caused by improper bridge resource management. MD had thus issued a Merchant Shipping Information Note to advise the ship owners. The Chairman supplemented that for proper bridge resource management, a master should only leave the bridge when the situation was safe to do so. He requested ship owners to take note of the advice.

Agenda item 10 – Any Other Business

Agenda item 10(a) – Consultation paper SCC/127 “Proposal for the amendments to the Minimum Safe Manning Certificate”

50. Mr. H.M. Tung briefed on the consultation paper SCC/127 “Proposal for the amendments to the Minimum Safe Manning Certificate”. The purpose of the paper was to seek members’ views on the proposal to revise the existing Minimum Safe Manning (MSM) Certificate issued to Hong Kong registered ships. He continued that as tabled at the meeting, three changes were made to the proposed revised MSN Certificates namely: (i) changing the reference of SOLAS V/13(b) to SOLAS V/14 because of the coming into force of the relevant requirement, and (ii) two amended statements to clearly specify the reference to the relevant regulations of the STCW Convention.

51. Capt. Firoze Mirza commented that the words “immediate responsibility” in the MSM Certificate might be subject to different interpretations. Mr. H.M. Tung explained that the wording was that used in the STCW Convention.

52. In relation to the statement for the qualification requirement of ratings, Mr. Arthur Bowring commented that it might be much clearer if the wording “There is no statutory requirements for ratings to hold Watch Rating Certificate if they are not engaged on watchkeeping duties” be changed to “This qualification is not required for ratings etc.” and the words “engaged on” be changed into “engaged in”. Capt. Firoze Mirza also suggested that the wording “The above permission shall not be granted to a master or chief engineer” might be changed to “The above permission shall not be granted for the absence of a master or chief engineer”. Mr. K.L. Lee mentioned that the MSM Certificate would be further revised taking into account of the comments made.

53. The Chairman concluded that the revised MSM certificate would help ship

owners to avoid any unnecessary problems during PSC. Finally, the meeting gave no objection to the proposal.

Agenda item 10(b) – Consultation paper SCC/128 “Review of the Control of Dark Smoke Emission from Vessels in the Hong Kong Waters”

54. Mr. Y.M. Cheng briefed on the consultation paper SCC/128 “Review of the Control of Dark Smoke Emission from Vessels in the Hong Kong Waters”. The purpose of the paper was to seek members’ endorsement on the proposal to use Ringelmann Chart as a reference to measure the extent of dark smoke emission for vessels in the Hong Kong waters.

55. The Chairman supplemented that the reason for the consultation was the intention to include the requirement in the proposed Merchant Shipping (Prevention of Air Pollution) Regulation. Since the proposed regulation was primarily intended to give effect to MARPOL Annex VI, it might not be appropriate to include a provision which was not part of such Convention. The issue was still being considered by Department of Justice and no decision had been made yet.

56. Mr. Arthur Bowring enquired how the measure of dark smoke control using the Ringelmann Chart be implemented. Mr. K.L. Lee said that there was a Smoky Vehicle Control Scheme adopted by EPD to test the emission from vehicles. MD was now discussing with EPD to extend such scheme to test smoke emission for marine vessels. In addition, to enforce the dark smoke control, MD would train the government crew, on a trial basis, on using the Ringelmann Chart to compare the dark smoke from vessels.

57. Finally the Chairman said that as there was no objection raised, the meeting endorsed the proposal.

Agenda item 10(c) – The draft Wreck Removal Convention

58. Referring to the document SCC/30/2007BRIEF 2 tabled at the meeting, Mr. W.H. Leung gave an outline on the latest development of the draft Wreck Removal Convention. The Convention would provide an international regime based on which the State Parties might deal with wrecks that posed a hazard to navigation and the coastal environment in their exclusive economic zone (and their territorial waters if adopted).

59. Capt. Firoze Mirza commented on the insurance provisions of the draft Convention. To avoid having a separate certificate, ship owners preferred that the required insurance could be fulfilled by an entry into the existing P&I certificate or by incorporating into other existing insurance documents. The Chairman responded that this issue had already been addressed by Netherland in their submission paper to the Conference proposing a single compulsory insurance certificate to cover all existing liability and compensation conventions. He continued that the mechanism for the insurance system should be as simple as possible to give effect to the required provisions.

60. Mr. Arthur Bowring mentioned that the industry objected to the present draft text of the Convention regarding the provisions on compulsory insurance and direct action against insurers applied to the territorial seas. Although it would be desirable to extend the Convention to cover the territorial seas, changing the existing widely adopted strict liabilities system into the direct action system without any limitation of liability was against the principle of marine liability insurance. The industry had made several submissions to the relevant Committee on the issues. Furthermore ICS and the International Group of P&I Association would present their arguments in the forthcoming Conference in Kenya. He would also send the relevant information of the industry to MD for reference. The Chairman opined that if the Contracting Governments were entitled to take direct action against insurers, ship owners should have protection of limit of liability. He agreed with the industry's position and said that MD would support compulsory insurance and direct action against insurers only with the limitation of liability as provided under the LLMC provisions.

Close of Meeting

61. As there was no other business, the meeting closed at 5:05 p.m.